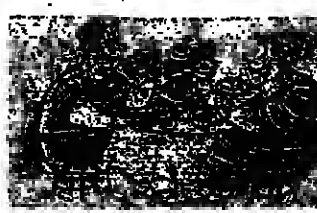


Pinched
Squeeze on the middle class

John Piander, Page 9



Stuffed
Is slimming just a shot away?

Page 8

Exhausted
The dangers of overwork

Management, Page 5



Hung up
Hard times for coathangers

Page 12

World Business Newspaper

WEDNESDAY DECEMBER 27 1995

Japanese jobless rate rises to a record 3.4%

Japanese unemployment hit a record rate of 3.4 per cent last month, putting the government under increased pressure to deliver recovery before elections next year. The main features of November's rise - up from 3.2 per cent in October - were a sharp rise in unemployment among young people and a continuing fall in manufacturing jobs. Page 3

Russian bank taps west: Rossiyskiy Kredit Bank, Russia's fourth biggest bank by assets, is to become the first Russian commercial bank to borrow on Western capital markets. It is offering \$33.2m of bonds, in a deal arranged by Banque Indosuez, as part of a \$100m programme. Page 11

High hopes for Israel-Syria talks: Both Israeli prime minister Shimon Peres and Syrian president Hafez Assad have expressed rare optimism about prospects for a new round of Israel-Syria peace talks starting in Washington today. Page 4

Nato commander refuses Serb request



US admiral Leighton Smith (left, above), Nato's commander in Bosnia, refused a Serb request to postpone key deadlines for implementing a peace deal around Sarajevo. They had wanted Serb troops to be allowed to stay around the city to reassure Serbs living in suburbs due to revert to Bosnian government control. The commander was paying his first visit to Pale to meet separatist Serb leaders, including Bosnian Serb parliament leader Momcilo Krajisnik (holding umbrella). Page 3

Yeltsin sets up policy body: Russian president Boris Yeltsin set up a new policy body to assert his control over foreign relations. The Council on Foreign Policy will be responsible directly to the president. Recovering Yeltsin returns. Page 2

Floods hit KwaZulu-Natal: At least 120 people were killed and many more are missing in floods in South Africa's KwaZulu-Natal province. The victims all lived in informal settlements near the townships of Pietermaritzburg. Page 11

Bumper year for buy-outs: UK management buy-outs flourished in 1995, with more and bigger deals than in any year since 1989. More than £1.7bn (\$2.8bn) of capital has been raised for 111 buy-outs - transactions where the amount raised is more than £10m. Page 11

N Korea frees fishermen: North Korea released five South Korean fishermen captured in May. The gesture, coming when North Korea urgently needs aid, removed one obstacle to the possible resumption of emergency rice shipments by South Korea. Page 3

Asian Bank planned: Some of Britain's most successful Asian businessmen have put forward outline proposals for a London-based Asian Bank. A formal application for a banking licence is likely to be submitted to the Bank of England early next year. Page 10

Thai SEC chief sacked: Thailand's cabinet sacked Ekamol Kijratt, respected chairman of the capital markets watchdog, the Securities & Exchange Commission, and dismissed him as a Central Bank deputy governor. Mr Ekamol's position had been shaky since he threatened to quit to preserve the commission's independence. Page 3

Kazakh move on land: Kazakhstan leader Nursultan Nazarbayev signed a law allowing private ownership of land. The move ends a debate over private property after decades of communism and paves the way for foreign investors to buy property in the former Soviet republic.

Russian trawler lost: One seaman was found dead and nine were missing after a Russian trawler sank in a storm off Norway. Another 15 sailors were rescued by another Russian trawler.

Ireland woos graduates: Ireland is targeting students home for Christmas, hoping to woo graduates back to the country to fill key vacancies, mainly in computers. At Dublin airport, the International Network for Ireland stand has been open throughout the holiday period to distribute leaflets on job prospects.

Crickets: South Africa were 230 for four against England on the opening day of the fourth cricket Test at Port Elizabeth. The first three matches in the five-test series were drawn.

STOCK MARKET INDICES		STERLING	
London 100	19,904.72 (+129.31)	New York 100	1,538.5
FTSE 100	1,512.08 (+14.09)	London 100	1,538.5
Dow Jones Ind	6,133.83 (+1.98)	London 100	1,538.5
S&P Composite	6,133.83 (+1.98)	London 100	1,538.5

US LUNCHTIME RATES		DOLLAR	
Federal Funds	5.75%	New York 100	1,538.5
3-mo T-bill	5.00%	London 100	1,538.5
Long Bond	11.11%	London 100	1,538.5
Wall	6.04%	London 100	1,538.5

GOLD		LONDON MARKETS CLOSED	
New York Comex	338.6	London 100	1,538.5
Gold	338.6	London 100	1,538.5

Asia	S&P 500	100	1,538.5
Europe	FTSE 100	100	1,538.5
Latin America	BVL	100	1,538.5
Middle East	TSE	100	1,538.5
South Africa	JSE	100	1,538.5
USA	DJIA	100	1,538.5
World	World	100	1,538.5

Asia	S&P 500	100	1,538.5
Europe	FTSE 100	100	1,538.5
Latin America	BVL	100	1,538.5
Middle East	TSE	100	1,538.5
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South Africa	JSE	100	1,538.5
USA	DJIA	100	1,538.5
World	World	100	1,538.5

Communists blamed as telecom deal collapses

Last-minute withdrawal by Italian state group Stet

By Chrystia Freeland in Moscow and David Lane in Rome

Russian government officials warned yesterday that the Communists' election success had scared off western investors after the collapse of the country's largest foreign investment deal outside the oil sector.

The last minute withdrawal by Stet, Italy's state-controlled telecom company, from a \$1.4bn investment in a Russian telecom company has also left a big gap in the Kremlin's budget and renewed doubts about the country's shaky privatisation drive.

Mr Alexander Livshits, the president's senior economic adviser, said yesterday Stet's decision to withdraw was directly linked to the strong showing by Communists in the parliamentary elections earlier this month. Mr Livshits said Communist politicians, who pledged to revoke "unfair" privatisations during the election campaign, should be aware that "their shrill calls were heard everywhere in the world".

Earlier this month, when Stet won an international tender for a 25 per cent stake in Sviazinvest, a newly formed Russian telecoms company, the deal was billed as the most impressive accomplishment of a government whose recent privatisation efforts in other sectors have been widely criticised.

In contrast with the secretive auctions this autumn for other Russian companies, the Sviazinvest tender was held up as a model of fairness and transparency which would bring the government \$1.4bn (\$2.1bn) in revenue this year and provide substantial investment for the telecom company.

But on Monday, Russian officials announced that the deal had fallen through because of an eleven-hour disagreement between the government and Stet over the form of payment.

According to Mr Maxim Boyko, head of the Russian privatisation centre which organised the tender on behalf of the government, the agreement collapsed because of Stet's insistence that its payment for Sviazinvest be held in an escrow account until the Russian government met a number of previously agreed conditions.

In particular, Stet wanted the rights of the 85 regional telecom companies which form Sviazinvest to be clearly defined and was pressing for a clearer definition of Sviazinvest's relationship with Rostelecom, Russia's dominant telephone company and Sviazinvest's future competitor.

Mr Boyko said the Russian government had offered a guarantee from the ministry of finance to buy back Stet's shares if the conditions were not met, but said that pledge had been insufficient for the Italian company.

Mr Boyko said Stet officials had not directly linked their tough stance with the Communist election triumph, but said "their position suddenly hardened" on December 18, the day after Russia's polls.

The last minute withdrawal from the Sviazinvest deal is also a setback for Stet, which has been trying to shrug off a reputation as a high-bidding loser in telecoms privatisations. While in 1993 the group was beaten in privatisation offers in Hungary, this year it lost out in the Czech Republic and it has been excluded from the shortlist for a stake in Belgium.

Russian diamond deal, Page 2
Editorial Comment, Page 9

Exxon to start talks on Algerian gas project

By Robert Corzine in London

Exxon, the largest US oil group, is to begin negotiations with Algeria on a possible natural gas deal close to the site of a \$3.5bn project agreed by British Petroleum.

Algerian officials, keen to attract investment and win support from foreign governments as part of their effort to counteract a four-year old Islamist insurgency, said they had agreed with Exxon to negotiate a project in the south-west of the country.

Mr Ammar Makhloufi, the industry and energy minister, said the Algerian government would like to see two or three major projects emerge in the In Salah area, which he said holds out the promise of big, undiscovered gas reserves.

He said the contract signed with BP on Saturday could serve as a "model" for future, foreign-funded projects to boost Algeria's gas exports to western Europe.

Algeria, which plans to expand beyond its traditional southern European gas markets to

Continued on Page 10
Sea of sand, Page 4

Tokyo to change bank supervision system after crises

By Gerard Baker in Tokyo

Japan's finance ministry, stung by worldwide criticism of its handling of a string of disasters at Japanese banks, yesterday announced plans for a radical overhaul of its banking supervision system.

Measures included strengthening the ministry's inspection division, an early warning system based on tougher, objective criteria for banks' financial strength and greater use of external auditors to examine banks' accounts.

Meanwhile, the Bank of Japan yesterday announced it had begun a series of emergency inspections in the New York branches of 10 leading Japanese banks.

The finance ministry's proposals will disappoint critics by being short on specific plans to tighten supervision and by not increasing disclosure requirements, a crucial failing of Japanese institutions in the last few years.

The ministry said the underlying principle of the measures was a commitment to end the cosy relationship between banks and their regulators. At the same time, the proposals call for banks to improve internal management



Turkey's conservatives may unite to keep Islamic party from power

By John Barham in Ankara

The leaders of Turkey's conservative parties yesterday promised to hurry their differences and attempt to form a coalition government to keep the Islamic Refah party from power.

In Sunday's general election, Refah, which aims to overturn Turkey's 72-year-old secular system and establish an Islamic republic, became the largest party in the 550-member parliament with 158 seats. In the last parliament, it had 38 of 450 seats.

The conservative True Path party of Mrs Tansu Ciller, the former prime minister who called snap elections after the collapse of her coalition alliance

with a small leftwing party, won 135 seats, 30 fewer than in the previous parliament. Refah won the protest votes of Turks angry at the incompetence and corruption of established political parties as the country struggles to emerge from the worst economic crisis in recent history.

Yesterday, after talks with Mr Mesut Yilmaz, head of the rival Motherland (Anap) conservative party, which won 132 seats, Mrs Ciller said: "We are positive about a coalition with Anap."

Although both parties agree on free market principles, hostility between the leaders has prevented an alliance. Both said the leaders of two smaller leftwing parties - the Democratic Left party and Peoples Republican

party (CHP) were prepared to join a coalition, though they gave no details.

An incoming government will face formidable economic difficulties. Inflation is accelerating and the government must repay about three quarters of its \$24.4bn domestic debt by May.

Parliament is expected to convene next week, after which President Sileyman Demirel will hold formal talks with party leaders on forming a new government. If a satisfactory administration cannot be assembled within 45 days of the election, Mr Demirel may appoint a caretaker prime minister to prepare for fresh elections within three months.

Mr Necmettin Erbakan, Refah's leader, yesterday demanded that Mr Demirel offer him the right to form a government first. "The people showed that the solution is Refah, not DYP or Anap," he said.

World stocks, Page 20

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Swedish dominant party losing ground

By Hugh Carnegie
in Stockholm

Sweden's governing Social Democrats and the conservative opposition Moderate party are running neck-and-neck for the first time in almost 30 years of regular polling.

The poll confirms a steady erosion of support for the SDP, which has dominated Swedish politics for decades, governing the country for 52 out of the past 63 years, and underlines the difficult task facing Mr Göran Persson, the finance minister, as he prepares to succeed Mr Ingvar Carlsson as party leader and prime minister in March.

The SDP and the Moderates - the latter led by Mr Carl Bildt, currently heading the civilian arm of the international peace operation in Bosnia - each stood on 30.4 per cent support in a poll by the Sifo institute, published in the newspaper Svenska Dagbladet.

The poll follows the scandals and chaos that afflicted the process of finding a successor to Mr Carlsson, who is retiring. Mr Persson was second choice after Ms Mona Sahlin, the former deputy premier, who was forced to quit in a row over her use of credit cards.

Since the general election in September 1994 - when the SDP returned to power after three years in opposition, winning 45.3 per cent of the vote - it has been forced to apply a tough budgetary squeeze on the welfare state to overcome a crisis in the public finances.

The Moderates have risen sharply from the 22.4 per cent they won in the general election. This is in spite of the virtual absence from the domestic scene of Mr Bildt, who took over as the European Union's peace mediator in former Yugoslavia in June.

His role on the international stage, which he says will last another year, appears to have enhanced the Moderates' appeal. But the party hopes the poll is also a sign that its long-term aim of achieving closer party in support with the SDP is bearing fruit.

The Moderates' free market economic policies - radical by Swedish standards - have been overshadowed by mainstream backing for the traditional egalitarian welfare policies of the Social Democrats. Even when Mr Bildt formed a right-centre coalition in 1991, the Moderates had much less than 30 per cent of the vote.

In the short term, Mr Persson can take comfort from the fragmentation of the smaller opposition parties, reducing the threat to the minority SDP government.

The Moderates' traditional coalition partners - the Liberal, Centre and Christian Democratic parties - are all in retreat. The Centre party has for several months been in an informal pact with the SDP. At the same time, the Left party and the Environment party are enjoying unprecedented levels of support - and there is no common ground between them and Mr Bildt.

Fear of Islam unites Turkish political rivals

Old adversaries appear to be burying the hatchet after the election, but there is widespread doubt that they can work together, writes John Barham in Ankara

Few Turks expected their country's two main centre-right leaders to bury their deep differences so quickly and prepare to form a coalition government to keep out the Islamic radicals of Refah, the biggest party in parliament after Sunday's election.

The free market principles of Mrs Tansu Ciller's True Path party and Mr Mesut Yilmaz's Motherland party are practically identical - their rivalry stems mainly from the mutual dislike of their leaders.

This animosity means there are considerable doubts that the two will be able to work together effectively, in spite of their statements yesterday that they are close to forming a coalition government.

In any case, few believe that a government united only by fear of Refah, a party dedicated to overturning Turkey's 72-year secular order, will be able to bring the political stability that has eluded the country for so long or command a consensus for structural economic reform.

There are deeper doubts, too, about the long-term dangers of

exclusion from power of a political movement which is backed by more than a fifth of the population, and of the way a coalition might ignore the simmering discontent among the Kurdish minority in the south-east.

Most people expect continued economic disarray, with accelerating inflation, government overspending and rising unemployment. Inflation is above 80 per cent. Unemployment and underemployment and low wages have helped drive Refah ahead as an alternative to the established party system.

Furthermore, a reminder of past political instability came at the weekend when the army, still very powerful in Turkish politics, warned secular party leaders against dealing with Refah. General Ismail Karadai, chief of the general staff, said the armed forces were the "greatest insurance of the Turkish republic which is a democratic and secular

ELECTION RESULTS			
	Votes	Percentage	Seats
Refah	5,970,603	21.32%	158
True Path	5,337,242	19.16%	135
Motherland	5,505,591	19.96%	132
DSP	4,103,275	14.85%	75
People's Republic	3,011,124	10.75%	60
Other parties	3,872,779		
Spilled ballots	7,053,647		

state. The Turkish armed forces are the untiring guardians of Atatürk's reforms and principles".

The army has staged three coups d'état since 1960, though few expect it to intervene again now.

Mrs Ciller is widely expected to have emerged stronger from the elections than Mr Yilmaz, with three more seats, and will probably become the rallying point for a consolidated centre-right party. A coalition between True Path, the Motherland party and the moderate Democratic Left would provide a

majority in parliament.

The insistence of Refah's leader, Mr Necmettin Erbakan, that President Süleyman Demirel give him the right to form a government is probably little more than political posturing because the mainstream parties have said they will not work with him.

However, Mr Mehmet Ali Birand, one of Turkey's most respected political columnists, warned yesterday: "We have to give Refah a place in society and not exclude them from the system. If we do so, we will all

pay for it." He worries that if Refah is kept out of the political system, its supporters "will seek their rights in other ways".

Yet it is hard to see how a party which radically opposes nearly every aspect of modern Turkish society can be integrated into the system. Refah's administration of Istanbul and Ankara, control of which it captured last year, is more efficient than its predecessors, but it has not attempted to impose Islamic codes, as it promised to do if it took power nationally.

However, ordinary people have grown profoundly disillusioned with the horse-trading in Ankara. At polling stations on Sunday, few mentioned any positive reason for voting. A fifth of the 34.2m electorate either did not vote or spoiled their ballot papers - voting is compulsory, though enforcement is uneven and fines are nominal. A further 3.9m

voted for fringe parties, from the far-right National Action party (MHP) to the left-wing Kurdish nationalist Hadeep party. None of these won any seats in parliament because they failed to take more than 10 per cent of the national vote.

Many fear that the MHP, which held 17 seats in the last parliament, may break up and its hardline rank and file resort to street violence. The same fear applies to Hadeep, which took four provinces in the south-east by campaigning on a peaceful solution to the Kurdish uprising. Fighting between government forces and guerrillas of the Kurdistan Workers' party (PKK) has claimed about 20,000 lives in the past 11 years.

Who will speak for the Kurds now? Only the PKK, and no one wants that, one US analyst said. Mrs Ciller recruited several top officers from the security services to True Path and six have entered parliament, including Mr Unal Erkan, the former hardline governor of the south-east. The outlook for a political solution to the fighting now looks more remote than before.



Refugees carry white flags as they return to Gdames after the city was seized back from Chechen rebels by Russian troops on Monday following heavy fighting

Recovering Yeltsin returns to rattled Moscow government

By Chrystia Freeland
in Moscow

President Boris Yeltsin was discharged from a sanatorium yesterday and plans to spend the New Year with his family, a further sign that he is recovering from a mild heart attack two months ago.

But the Russian leader is returning to a government unsettled by the Communist triumph in parliamentary elections this month and mounting international concern over continued fighting in Chechnya.

Although senior Russian officials insist that the elections will not lead to a change in government policy, this week has brought several signs that reform-minded cabinet members could be replaced by more leftwing politicians.

The clearest indication of this trend was yesterday's resignation of Mr Sergei Shakhrai, a reformist deputy prime min-

ister. He was once a close associate of the president but is hated by the Communists for his role in the collapse of the Soviet Union.

Mr Shakhrai, who resigned to take up a seat in parliament, is widely expected to be followed by Mr Andrei Kozyrev, the liberal foreign minister, who has also been elected to parliament. MPs may not oust government posts.

On Monday, Mr Viktor Chernomyrdin, the prime minister and leader of a pro-government party whose vote was less than half the Communists', said it was possible that Communists would be invited into the cabinet. Communist officials, however, have said their party has not yet decided whether to work with the current administration.

Growing uncertainty at home has coincided with a renewed burst of international criticism of Russia's behaviour

in Chechnya, where a war to subdue separatists has dragged on for more than a year.

On Monday, Mr Klaus Kinkel, the German foreign minister, wrote to his Russian counterpart appealing for a ceasefire in the region. After several months of relative calm, fighting flared again this month, when separatists took over Gdames, Chechnya's second largest city, for several days in protest against the Russian government's effort to hold local elections.

More than a week after polls closed, Russian officials have released full preliminary results from the December 17 parliamentary elections. In the proportional representation elections, which allots 225 of the 450 seats in parliament, Communists won 23.1 per cent of the vote.

Mr Vladimir Zhirinovskiy's ultra-nationalist Liberal Democratic party gained 11.06 per

cent of the vote, followed by the pro-government Our Home is Russia led by Mr Chernomyrdin, with 9.89 per cent. The reformist Yabloko came fourth with 6.93 per cent. No other party cleared the 5 per cent barrier to win the right to seats in the proportional representation half of the parliament.

The final figures suggest that the Communists, who won 58 of the 225 seats allotted according to first-past-the-post contests, will control almost 160 seats in the new parliament. Together with the closely allied Agrarian party, which won 20 single-mandate seats, and other more radical leftwing parties, which won a total of 10 seats, the Communists may be able to form a leftwing coalition of at least 190 deputies, and may even be able to win over enough of the 77 independent MPs to form a majority bloc in parliament.

Russian diamond deal on the cards

De Beers accord looks more likely, writes Kenneth Gooding, Mining Correspondent

The chances of two of the world's biggest diamond producers, Russia and the South African mining group De Beers, renewing their exclusive International marketing contract have improved significantly.

This will ease worries in the market, which for months has been unnerved by the prospect of Russia ending its relationship with the International diamond cartel organised by De Beers and the possibility of a subsequent price war.

The present five-year contract, worth at least \$1bn (£650m) a year to Russia, was scheduled to end next Sunday. De Beers seemed reluctantly to have prepared itself for Russia leaving the cartel but the Russians have now asked for, and been given, another month to see if a new deal can be worked out.

In the meantime, De Beers's London-based Central Selling Organisation, which accounts for about 80 per cent of world trade in rough or uncut diamonds, will continue to have exclusive international marketing rights to most of Russia's production.

Relationships between Russia and the South African group have been strained for two years. De Beers claimed Russia was selling diamonds worth about \$1m a year directly to the west in contravention of its contract with the CSO. Russia may sell 5 per cent of its production outside the cartel for "market testing". It wants this increased because some officials believe Russian stones will fetch at least a third more if sold independently of the cartel.

Russia has also asked for other changes to the contract.

De Beers, with a huge sum invested in the CSO's diamond stocks, which also cost a great deal to finance, is reluctant to give way for fear that other members of the cartel will want similar concessions.

In July it realigned CSO prices, lowering those for smaller rough diamonds by up to 15 per cent and increasing those for bigger diamonds. This was followed by a further 5 per cent rise in price of diamonds over two carats in weight. The Russians were concerned, as the reductions mainly affected diamonds being sold by the Russians outside the terms of the CSO agreement.

One industry observer, who asked not to be identified, said yesterday: "The contract with the Russians has given De Beers a great deal of aggravation for at least two years. But

the Russians have gone to the edge of the abyss, looked over the edge and did not like what they saw. The prospect of immediately losing the \$100m of income a month from the CSO is concentrating Russian minds."

Two weeks ago, De Beers surprised the industry by reporting that the CSO's sales reached a record \$4.5bn in 1994 and that the recent price increase for large stones had been "well accepted". Nevertheless, uncertainties about the Russian situation caused De Beers to continue the quota system imposed on all CSO suppliers since September 1992. The CSO will buy only 85 per cent of the diamonds it previously agreed to take from producers in the cartel.

Some observers argue that the Russians offer little threat to the market, as there are

indications their production is falling and their activities this year in the free market suggest their diamond stocks are down to modest levels.

However, Mr Michael Conson, analyst at Nedcor Securities, part of the South African banking group, suggests the Russian action "could just as easily reflect a belief on the Russian side that there is a good chance they will not be able to sign a new agreement with the CSO, and consequently they will have to go it alone."

"In such circumstances," he said, "it would make sense for them to have a full and marketable range of goods available for sale outside the CSO on a reliable and regular basis. It could thus be argued that they have been tailoring their sales and stock disposals this year towards this end."

Trouble brews over rise of the can in Germany

By Michael Lindemann in Bonn

Hundreds of the small brewers which supply Europe's biggest beer drinkers are facing an uncertain future. The culprit? The beer can.

The rise in canned beer at the expense of bottled is also causing havoc with Germany's complicated environmental regulations and has already sparked a row involving the country's retailers, cartel office, and government.

The local brewery is as much a part of the German landscape as the corner sausage stand. Cologne, a city of about 1m people, has 23 breweries producing the unique local brew.

Germans drink more beer on average than any other Europeans, with 1,300 mainly small brewers supplying their thirst and traditionally relying on bottles recycled by drinkers via the shops.

Increasingly, however, beer is sold in cans, which are cheaper, lighter and easier for supermarkets to handle. Canned sales rose by 30 per cent last year and continued to grow at the same rate in the first half of this year, to make about 15 per cent of beer sales overall and causing, according to a study by IKB Deutsche Industriebank, "considerable worries in the [brewing] industry".

Beer sales, which peaked at 120m hectolitres in 1992, have been falling slightly since, creating pressure for consolidation in the industry. The prospect of extra capital spending on canning lines is increasing that pressure.

But the rise in cans is also causing problems for the Verpackungsverordnung - a 1991 regulation which states that the recyclable bottle must make up at least 72 per cent of all drinks packaging.

If cans, cartons and other packaging rise above 28 per cent, retailers would be obliged by law to charge a 50 pfennig deposit on every bottle that they sell, to encourage people to take bottles back to the shops. The recyclable bottle now makes up just 72.85 per cent of total packaging.

Concerned by the approach of the 72 per cent threshold, Ms Angela Merkel, the environment minister, and the retail trade have launched an initiative to stop the advance of the can. They agreed that the price of all canned drinks would be raised by 10 pfennigs from the beginning of next year.

Detailed operation of the scheme had not been worked out, but the intention was to use the DM350m (£160m) raised to combat litter and run advertising campaigns promoting the use of recyclable bottles.

Last week the Bundeskartellamt, Germany's competition agency, told Ms Merkel and the retail trade that the plan amounted to "a forbidden agreement to raise prices" and threatened retailers with fines of up to DM1,050m.

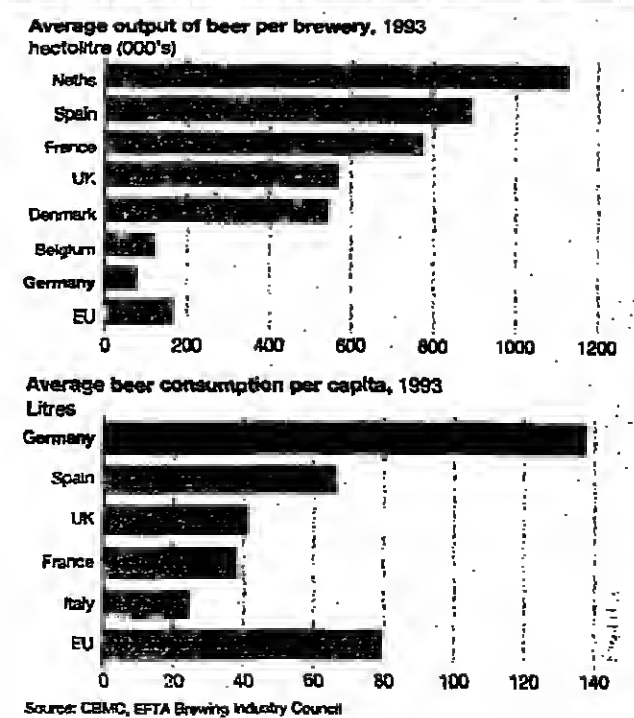
"We are not prepared to accept this sort of thing, no matter how good the reason is," it said.

Among ideas now being considered by the ministry to slow the decline of the bottle are licences which would ensure companies pay a levy on the cans they produce, in the same way that power stations have to pay to emit "greenhouse" gases such as CO₂.

Privately, the ministry expects the 72 per cent threshold to be crossed this year. Raising the price of bottled drinks by 50 pfennigs will anger retailers because it will slow sales.

There is also the risk of making the beer can even more attractive, accelerating the switch to cans in contrast to the intention of the law. This would spell even more trouble for the local breweries.

The IKB report warns that hundreds of them may go out of business because they could not afford to build canning facilities.



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سكرا من الارامل

Japan set to lift ban on holding companies

By William Dawkins in Tokyo

Controversial plans for a partial end to Japan's post-war ban on holding companies will next month be presented to parliament for approval.

A panel of Japan's Fair Trade Commission, the anti-trust watchdog, will today publish a report outlining five circumstances in which it could permit holding companies, in which a central company holds controlling shares in others, a form of ownership banned in Japan for 48 years.

The main corporate groups or *keiretsu* are linked by small cross-shareholdings which convey no formal

management control, though many such groups do have effective strategic-making centres in the form of a trading company or bank.

The move is a climb-down from the FTC's former opposition to domestic business groups' demands for an end to the ban, seen as a way to avert, avoid management duplication and cut costs. It was made possible by an accord between the FTC and the Finance Ministry, in which the ministry won the commission's support by promising it more power to combat restrictive practices.

The proposals, for an amendment to Japan's existing anti-monopoly law, would permit the use of holding

companies in five specific cases:

- a bank rescue or the consolidation of an existing financial company
- the division of any group into business units under a holding company headquarters
- a venture capital group's purchase of its own company investments
- a merger between small and medium-sized companies intended to compete against a large rival
- a holding company to supervise a sales or foreign subsidiary

This falls well short of calls by the Keidanren, the leading business lobby, for general scope to set up holding companies as freely as in the

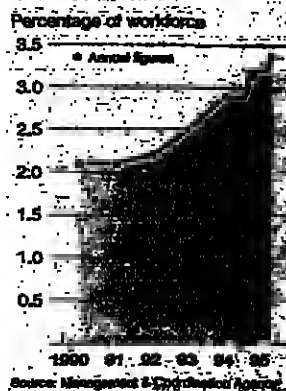
in Europe or the US. The Keidanren's larger corporate members have long argued that the ban on holding companies means they have to pay more tax than foreign competitors. Japanese companies are unable to offset subsidiaries' losses against group tax liabilities.

In response to the FTC report, Mr Takashi Imai, president of Nippon Steel, the world's largest steelmaker, called for a reform of corporate tax rules, to enable tax to be levied on consolidated profits alone. Keidanren officials voiced disappointment that the proposal left many curbs on non-financial holding companies in place. A complete ban, however, would

meet political resistance from those who fear a revival of the *zaibatsu* - corporate groups controlled by holding companies - which contributed to the rise of pre-second world war militarism.

The four largest *zaibatsu* controlled a quarter of the economy by 1945 and were dissolved, on their own initiative and by the US occupation, to prevent the recurrence of such a concentration of power. A law prohibiting holding companies was enacted in 1947. While a revival of militarism is a remote prospect, the FTC has resisted relaxation on the grounds that this might cut across its policy of dismantling cartels.

Japanese unemployment



Source: Ministry of Labour, Japan

Unemployment at record 3.4% in November

By William Dawkins in Tokyo

Japan's unemployment rate hit a record 3.4 per cent last month, increasing pressure on the government to deliver economic recovery before next year's election.

A sharp rise in joblessness among young people and the continuing decline in manufacturing jobs, as companies shift capacity to cheaper locations overseas, were the main features of the increase, from 3.3 per cent in October.

Mr Ryutaro Hashimoto, minister for international trade and industry, said this was an "extremely heavy figure". Japan's criteria for measuring joblessness are unusually strict, so that if more embracing US criteria were used, the internationally comparable unemployment rate could be at least double the published figure.

Senior economic and labour officials, however, argued that the rise was temporary and might even presage the early

stage of a recovery, as more young workers leave underpaid part-time jobs, typically in service industries, in search of better employment. This was often the case at the initial stage of an economic recovery, said Mr Isamu Miyazaki, director general of the Economic Planning Agency.

Within the total, the jobless rate for males aged 15 to 24 rose by 1.1 percentage points in the year to November to reach 6.3 per cent, nearly double the average unemployment

rate. Japan's high youth unemployment is a consequence of recruitment curbs by companies to cut costs.

There were 2.18m unemployed last month, up by 17.9 per cent from November last year. In spite of this, the labour market was slightly less weak last month.

The number of posts available per 100 job seekers rose slightly to 63, from 61 in the preceding month. In previous recoveries, a rise in the job seekers' ratio has been the pre-

lude to a fall in unemployment.

The EPA yesterday produced evidence of its belief that better times might be around the corner, in the form of the best score for six months in its index of economic data.

The agency's leading diffusion index, a basket of forecasts of economic activity in the next few months, rose to 80 in October, from 46.2 the previous month. A score of 50 is equilibrium between growth and decline.

North frees South Korea fishermen in bid for rice

By John Burton in Seoul

North Korea yesterday released five South Korean fishermen, who were captured last May, in a conciliatory gesture to attract international food aid for its starving population.

The return of the fishing boat crew removed one obstacle to the possible resumption of emergency rice shipments by South Korea to the north.

Seoul last summer delivered 150,000 tonnes of rice to North Korea, but refused any more assistance until the boat crew was released. In addition, Japan and the US have not responded to recent pleas for food assistance from North Korea in deference to South Korean wishes. The response by other countries to a request

from the United Nations World Food Programme for \$8.8m in North Korea food aid has been meagre.

Officials in Seoul yesterday said that South Korea, Japan and the US would discuss additional rice supplies to North Korea during a policy meeting in Hawaii in late January.

Japan has already indicated that it is willing to supply more rice to North Korea in addition to the 800,000 tonnes it provided earlier this year. Mr Koken Nosaka, Japan's chief cabinet secretary, said that more rice aid was needed to prevent the sudden collapse of North Korea, which is suffering a grain shortage amounting to almost half of its total demand.

South Korea has maintained that it will not proceed with

further rice shipments until North Korea resumes political dialogue with Seoul. But Mr Kwon O-hye, who was appointed South Korean national unification minister last week, indicated that Seoul might drop or ease this demand.

"We shouldn't limit our attention only to the North Korean authorities. We should look at the other side of the North Korea which is North Korean citizens," he said.

South Korea adopted a tough attitude on banning further rice shipments after it was heavily criticised by the public for failing to win political concessions from North Korea in return for the rice supplies in the summer. However, Seoul appears to be shifting toward a more flexible stance because of wor-



Lee Byung-soo, one of the South Korean fishermen freed yesterday, is greeted by his mother.

ASIA-PACIFIC NEWS DIGEST

Thai cabinet sacks SEC chief

The Thai cabinet yesterday sacked Mr Ekamol Kiriratt, the respected chairman of the capital markets watchdog, the Securities and Exchange Commission, and dismissed him from his position as a Central Bank deputy governor. The authorities quickly tried to stem damage to market sentiment by replacing him with Mr Pakorn Malakul Na Ayudhya, a well-connected central banker. The Stock Exchange of Thailand index slipped 2.73 points to 1278.82 yesterday.

Mr Ekamol had his card marked by the new cabinet five months ago when he threatened to resign to preserve the commission's independence. He originally planned to return to his post at the Bank of Thailand in three months. But he was blocked from returning there amid unofficial talk of wrongdoing at the SEC.

"I cannot explain in detail why Ekamol cannot resume his job at the central bank," said Mr Surakiat Sathirathai, finance minister, yesterday. "I can only say there is a legal problem involved," he added. However, one Thai financier said: "Ekamol's only crime has been to oppose the government and the weaker people in the exchange and the Bank of Thailand. He had to go because he was simply too strong for them to handle."

William Barnes, Bangkok

Toyota plans China parts plant

Two leading affiliates of Toyota Motor, the Japanese car maker, yesterday announced joint ventures to manufacture car parts in Tianjin, northern China. The ventures with affiliates of the state-run Tianjin Automotive Industrial Corp as Toyota is negotiating with the company to establish what is expected to be the largest Japanese joint venture to produce passenger cars in China.

Nippondenso, a maker of car electronics, said it had set up Tianjin Denso Engine Electrical Products. The joint venture, capitalised at ¥1.65bn (\$16.2m), will be owned 55 per cent by Tianjin Internal Combustion and the rest by Nippondenso and Toyota group's trading house, Toyota Tsusho, the company said. It will make starters and alternators.

Kyodo, Nagoya

Suntory's Shanghai brewing deal

Suntory, Japan's largest whisky distiller, announced yesterday it had signed an agreement to launch a brewery joint venture in Shanghai next month. Suntory will have a 60 per cent stake in the new \$12m venture, to be called Shanghai Suntory Brewery. A Chinese state company, Shanghai Sugar Cigarette & Wine (Group) (SSCW), will hold the remainder.

Suntory said an existing plant and facilities held by SSCW's subsidiary, Shanghai Jiangnan Brewery, would be remodelled to produce a new beer under a local brand name for the new joint venture. The plant's annual capacity would be increased from the current 30,000kl to 100,000kl by 1998, and the product would be upgraded so that the Suntory's brand name could be used, the Japanese company said.

AP-D, Tokyo

Indian decision 'soon' on Enron

The on-again, off-again saga of US multinational Enron Corporation's \$2.5bn power project in the Indian state of Maharashtra appears to be ending, a state political leader said yesterday. "A decision has already been taken but it will only be announced following a cabinet meeting within the next two to three days," said Bal Thackeray, head of Shiv Sena party, part of the state's governing coalition. The project, a 2,450MW plant on the west coast, was halted by the new Maharashtra administration in August after a state government panel said the capital and tariff costs were too high.

Reuters, Bombay

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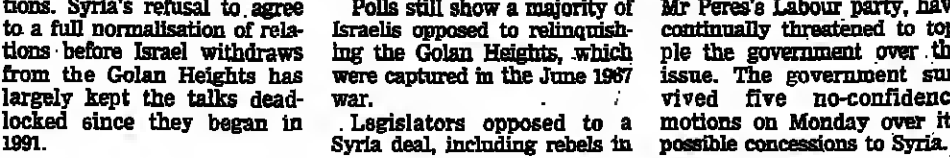
Pakistan International Great people to fly with

drawal from the Golan Heights.

This would create a "self-sustaining" process, according to Mr Danny Shek, foreign ministry spokesman, because an impasse at one level would not doom the entire talks.

Mr Ehud Barak, the Israeli foreign minister, outlined the government's agenda for the first time to the Knesset on Monday. It includes a call for demilitarisation along the border, direct hot lines between commanders, full diplomatic relations, open borders for people and goods, and a cessation of the conflict in southern Lebanon.

Mr Barak said the extent and timing of withdrawal from the Golan Heights would be predicated on Syria's willingness for a speedy normalisation of rela-



rehabilitating existing oil fields. Mr. Sonatrach says it has signed an enhanced oil recovery being negotiated with Arco, the US oil group, will form the basis for future oil-field rehabilitation projects. "But we can't do other ones until the Arco deal is signed," he said in an interview.

Resentment at the country's dependence on foreign oil companies to fund new developments appears muted. "We're less dogmatic than we used to be," says Mr. Zouliouche. "It's now almost impossible to go it alone in the oil world."

One US-educated Sonatrach

\$360m in Kyrgyzstan and now employs 1,800 there. It is the country's biggest foreign investor and has formed a joint venture with the state-owned company Kyrgyzaltyn to exploit the Kumtor gold mine.

The economic policy has won enthusiastic support from western governments and international donor organisations, which in June pledged \$680m to support the reforms. In other newly independent states of the region, the cost of economic reform is high. Unemployment is put officially at 2.5 per cent, though other evidence suggests it is much nearer 20 per cent. Those who do have work, most notably teachers, are often underpaid with a salary equivalent to \$20-\$30 a month or do not get paid at all for weeks at a time.

The only way to get out of this slump, according to Mr Yeliseyev, is to speed up the reforms and to attract foreign investment, that was his electoral message.

Kyrgyzstan's election sets it apart from neighbouring Kazakhstan, Turkmenistan and Uzbekistan, where the authorities have avoided elections by extending their terms in office by referendum until 2000.

The Venezuelan government has approved a joint venture by the state oil company Bitor (Bifurmes del Orinoco), the US oil company Conoco and the Norwegian Statoil. These are to go ahead with a \$320m plant to make Venezuela's trademark orimulsion boiler fuel, due to produce from 1998.

Bitor, a subsidiary of the state-owned Petróleos de Venezuela, will hold a 40 per cent share, while Conoco and Statoil have a 30 per cent and 20 per cent participation, respectively. Two private Venezuelan engineering companies hold the remaining 10 per cent share. Eighty per cent of the 5m tonnes of the orimulsion produced annually will be sold to Florida Power and Light Company, with the remaining 20 per cent being marketed in Europe.

Raymond Colitt, Caracas

● Venezuela had completed all its 1995 Brady bond payments but defaulted an unspecified amount of its Paris Club debt, Mr Luis Raúl Matos Azócar, finance minister, said yesterday. He said the defaults were of "some payments that weren't of the highest priority. Basically, the payments to the Paris Club, some bilateral debt. I don't remember the amount right now."

ABDI Carmona

INTERNATIONAL ECONOMIC INDICATORS: PRODUCTION AND EMPLOYMENT

Yearly data for retail sales volume and industrial production plus all data for the vacancy rate indicator are in index form with 1985=100. Quarterly and monthly data for retail sales and industrial production show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. The unemployment rate is shown as a percentage of the total labour force. Figures for the countries leading indicator are end-period values.

■ UNITED STATES						■ JAPAN						■ GERMANY					
	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator		Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator		Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	7.1	100.0	91.3	100.0	100.0	2.6	100.0	76.4	100.0	100.0	7.1	100.0	89.7		
1986	105.5	100.8	8.9	98.3	95.5	105.8	99.7	2.8	94.3	83.5	103.4	102.2	6.4	136.9	89.4		
1987	108.4	100.0	6.1	100.3	98.8	113.8	103.1	2.8	108.3	91.3	107.4	102.8	6.2	148.5	90.1		
1988	110.7	110.7	6.4	100.0	103.1	122.6	113.1	2.5	145.2	90.0	110.5	106.3	6.2	165.1	90.6		
1989	115.6	112.4	5.2	101.4	99.9	132.5	110.7	2.2	147.0	98.9	114.2	111.2	5.5	219.5	91.7		
1990	119.4	112.4	5.4	87.0	95.1	141.7	124.5	2.1	149.9	96.1	123.5	117.2	4.8	281.9	92.4		
1991	114.0	110.4	5.6	84.6	100.0	144.8	126.0	2.1	148.2	93.3	130.5	116.1	4.2	297.5	95.4		
1992	117.8	114.2	5.3	84.0	104.8	138.9	119.0	2.1	149.0	92.8	129.7	116.5	4.6	287.9	99.0		
1993	123.8	118.2	6.7	69.0	110.4	131.6	113.5	2.5	106.6	87.7	122.3	109.1	5.1	229.5	102.5		
1994	121.2	125.1	6.0	78.9	112.5	129.8	114.8	2.9	102.2	105.6	120.4	118.6	6.6	240.8	104.0		
1st qtr-1994	5.7	9.8	5.5	83.6	112.5	-0.7	6.2	2.8	102.4	105.6	-2.3	7.1	8.8	282.7	104.0		
2nd qtr-1994	4.7	5.5	5.5	79.7	111.5	-2.3	6.1	2.9	107.6	105.1	3.0	6.7	8.7	271.5	102.3		
3rd qtr-1994	3.3	3.3	5.6	78.0	111.0	-0.8	4.8	3.1	106.3	107.0	1.8	6.8	8.8	276.7	102.2		
4th qtr-1994	4.5	3.0	5.6	78.4	112.3	0.5	0.9	3.2	104.2	105.9	-0.2			265.6	101.1		
January 1994	4.9	8.4	5.4	84.8	112.5	-1.0	7.1	2.8	102.2	105.8	-1.1	7.4	8.8	258.8	104.0		
February 1994	9.7	9.3	5.8	80.9	112.6	-4.0	4.9	2.9	107.1	105.8		7.2	8.8	270.0	103.4		
March 1994	3.9	4.4	5.4	80.9	112.1	-1.8	7.4	2.8	113.2	105.8		5.5	6.7	270.7	102.7		
April 1994	4.4	4.7	5.4	79.6	111.9	-1.1	5.9	3.0	106.8	108.1		1.2	6.7	280.5	102.8		
May 1994	3.3	3.9	5.7	79.7	111.4	-0.5	6.0	3.1	102.2	105.2		1.7	6.8	279.7	102.1		
June 1994	4.8	3.3	5.6	77.1	111.2	-0.7	5.8	3.0	110.6	108.1		1.0	6.8	277.2	103.3		
July 1994	4.8	2.8	5.6	77.0	111.0	-0.3	3.2	3.2	104.7	107.0		0.5	9.8	277.5	103.2		
August 1994	4.5	2.7	5.9	79.2	111.1	-0.9	1.3	3.2	106.2	107.3		1.0	9.8	270.1	101.5		
September 1994	4.3	3.2	5.6	78.3	111.9	0.7	1.3	3.2	105.5	106.8		-0.8		270.1	101.5		
October 1994	4.3	3.2	5.8	78.5	112.3	1.6	0.5	3.2	103.6	106.8		-1.2		264.8	101.5		
November 1994	4.2	3.2	5.4	79.5	112.1	1.3	3.2	103.1	109.4		-3.4		258.0	101.2			
			1.9											258.8			
■ FRANCE						■ ITALY						■ UNITED KINGDOM					
	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator		Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator		Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	10.3	100.0	90.8	100.0	100.0	9.6	88.3			100.0	100.0	11.2	100.0	90.0	
1986	102.4	101.2	10.4	107.9	92.4	103.8	100.1	10.4	94.3			105.3	102.5	11.2	116.1	93.0	
1987	104.5	103.1	10.5	117.2	96.4	110.1	106.9	10.8	95.9			112.8	117.5	8.1	141.0	97.1	
1988	108.5	107.3	10.0	138.3	102.0	107.9	114.2	10.3	100.2			120.1	114.0	10.3	141.0	97.1	
1989	109.8	111.3	9.4	180.8	101.7	116.8	118.7	10.9	98.3			127.1	119.7	12.2	124.3	93.5	
1990	110.4	112.9	8.9	152.2	95.8	114.5	118.1	10.3	95.0			121.1	113.7	6.8	67.6	91.1	
1991	110.3	113.3	9.4	128.2	96.7	97.1	116.9	8.8	94.1			119.4	109.4	10.5	88.6	95.0	
1992	110.5	113.2	10.4	109.5	94.9	116.9	115.4	8.8	94.1			120.4	109.4	10.1	98.8	98.9	
1993	110.7	110.2	11.7	90.0	98.1	114.1	113.0	10.2	100.8			123.8	111.5	10.1	76.5	98.9	
1994	110.9	114.4	12.3	104.1	102.5	107.4	116.8	11.1	109.9			126.5	117.1	9.6	83.8	106.3	
1st qtr-1994	-0.5	5.5	12.0	103.5	102.5	-7.4	8.7	11.4	102.8			3.5	4.5	9.0	105.3	108.3	
2nd qtr-1994	0.5	5.5	11.8	118.3	101.2	-3.6	8.0	12.2	101.8			1.4	4.2	6.7	103.5	108.3	
3rd qtr-1994	1.1	3.4	11.6	100.0	100.6	-5.9	5.9	12.2	101.8			1.4	2.0	8.9	106.3	108.6	
4th qtr-1994	0.4	1.7	11.4	97.7	97.7	-4.5	5.7	12.1	102.5			0.8	1.4	8.7	109.1	108.5	
January 1994	0.9	6.6	12.0	96.7	102.5	-2.3	15.0	n.a.	102.9			3.9	4.0	8.8	105.3	108.3	
February 1994	2.4	5.9	11.9	110.6	102.3	0.9	9.8	n.a.	102.6			0.3	3.7	8.7	104.2	108.4	
March 1994	0.6	4.3	11.8	119.1	101.7	-1.4	8.1	n.a.	102.2			2.4	3.9	8.7	108.0	108.2	
April 1994	-1.5	8.2	11.7	128.1	101.2	-10.1	9.2	n.a.	101.6			1.5	5.2	8.8	103.8	108.3	
May 1994	0.2	2.1	11.6	105.2	101.9	-6.3	7.1	n.a.	101.4			1.2	1.7	8.8	107.2	108.6	
June 1994	2.6	3.9	11.6	101.5		-9.3	9.1	n.a.	101.2			1.8	2.6	8.8	107.2	108.6	
July 1994	0.5	4.2	11.5	100.8		-5.0	5.4	n.a.	101.8			1.2	1.7	8.8	105.9	108.8	
August 1994	1.8	2.3	11.4	100.3		-3.5	4.0	n.a.	102.8			1.2	2.1	8.8	106.0	108.8	
September 1994	2.3	0.1	11.4	99.5		5.9	8.0	n.a.	102.5			0.3	1.0	8.8	106.4	108.4	
October 1994	-0.8	0.5	11.5	114.4	97.7		5.0		102.7			0.4	1.1	8.7	107.6	108.4	
November 1994	-4.6	-0.8	11.5	96.3					102.8			-0.1	1.0	8.8	113.7	106.5	
												1.0	0.8	8.8	112.5	108.2	
															113.8		

Series seasonally adjusted. Statistics for France only refer to western Germany. Data supplied by Deutsches and MESA, DACH.

National Westminster says decision was unrelated to 'concerns' about privatisation

Bank ends backing for rail bidders

By George Parker, Charles Batchelor and George Graham

National Westminster Bank has withdrawn its backing from a number of bids for rail franchises, including the Great Western passenger service which was awarded this week.

NatWest said it had withdrawn its backing for "commercial reasons" and added: "It is absolutely and categorically not the case that we pulled out because of concerns about rail privatisation." Officials could not say whether it was

involved in any further bids. NatWest's decision to withdraw from backing buy-out teams seeking to acquire rail assets is understood to have caused problems for the management/employee bid for Great Western and to have revived the chances of the bid by Resurgence Railway, an independent management group.

But Great Western managed to find an alternative source of mezzanine finance - high-yielding loans with a risk profile close to equity - from

Intermediate Capital Group and Royal Bank of Scotland and was ultimately successful. The main Great Western line runs from London to Bath, Bristol, south Wales and the south-west England counties of Devon and Cornwall.

According to the European Freight Management newsletter, NatWest has withdrawn from three other bids as well as Great Western. It says these are a rolling stock leasing company, Rail Express Systems, which runs mail-trains and the Royal Train - and the Freight

liner container service. Asked about the bid, NatWest told the newsletter: "We had been involved and we are no longer."

Last week Sir George Young, transport secretary, claimed the first wave of franchises showed that the private sector could provide better services and more investment for lower subsidy.

Mr Brian Wilson, chief transport spokesman with the opposition Labour party, claimed that NatWest's withdrawal was a sign that rail privatisation

was seriously flawed. He said: "I warmly welcome this decision by NatWest, which I am sure other key investors will follow. Labour's message is that they should stay clear of this high-risk and totally unwanted privatisation."

Last week saw the final sailing of the rail freight ferry Nord Pas de Calais which has been carrying about 1m tonnes of cargo between Dover in southern England and Dunkirk in France each year. Competition from the Channel tunnel has been blamed.

Internet 'may give stimulus to democracy'

By Stephen McGonigle in London

Participation in the democratic process could be widened through the influence of the Internet, a rightwing think tank in Britain has argued. A report by the Bow Group examines the potential for electronic campaigning in the UK compared with the US and Europe, and says that the Internet - the worldwide computer network which links upwards of 25m people - could eventually replace the ballot box as a method of voting.

UK NEWS DIGEST

Telecom curb to be relaxed

Mercury Communications would be in a stronger position to compete against British Telecom and its smaller rivals under proposals put forward by Mr Don Cruickshank, the industry watchdog. Mercury is the UK's second-largest telephone company and an offshoot of Cable and Wireless. The proposals would free Mercury from the constraints of being considered a "dominant" operator. In particular, it would no longer have to publish changed prices 28 days in advance which, it has argued, have put it at a disadvantage to other companies. It would also be able to put together innovative pricing packages.

Mr Cruickshank proposes a "slimline" operating licence for Mercury, similar to that held by smaller, newer telecom companies. Many of the requirements and conditions in Mercury's existing licence, designed to constrain a dominant operator from behaving anti-competitively, would be deleted. Mr Rod Olsen, appointed acting chief executive of Cable and Wireless last week, has been named chairman of Mercury. Mr Olsen replaces Lord Young, who left both C&W and Mercury last month. Mr Stephen Pettit, a member of the C&W board, becomes deputy chairman.

Alan Cane, Industrial Staff

Council behaviour to be probed

The government is to investigate claims that municipal authorities have blocked private sector efforts to bid for professional services contracts under compulsory competitive tendering rules. The companies claim that some local councils are structuring the tenders for housing management, construction, property and legal services - the first wave of white-collar services to go out to tender - in ways that favour their in-house teams.

Kishna Guha, Public Policy Staff

Regulator urges compensation

The water industry regulator yesterday said compensation should be paid to customers for restrictions caused by drought - but not to those who suffered during the recent dry summer. Mr Ian Byatt, director-general of water regulation, proposed conditions in which domestic and business customers should be entitled to compensation if their water supply is cut off or restricted.

All customers affected by rota cuts or standpipes as a result of a drought order should get £10 (\$15.40) a day, up to a maximum of £100. But this would not apply to hosepipe bans on households without water meters. Business customers would also have the right to compensation under a drought order, though this would require new legislation. The proposals were immediately attacked as inadequate by consumers' organisations.

David Lasseles, Resources Editor

Electricity advisers called in

Professor Stephen Littlechild, the electricity regulator, has appointed three senior businessmen to advise him on the transmission price control review of the National Grid. It is the first time that Prof Littlechild has used outside advisers, and his move will be seen as a response to the debate about the accountability of industry regulators. The advisers are Sir William Barlow, former chairman of BICG; Mr John Sadler, chairman of Pearl Group; and Sir Peter Walters, former chairman of British Petroleum and now chairman of Blue Circle Industries. The panel members will be paid expenses but will receive no remuneration.

David Wighton, Financial Staff

Accountancy 'The three top growth areas for big firms are Asia, Asia and North America'

Big institutions reticent about own figures

By Jim Kelly, Accountancy Correspondent

Coopers & Lybrand has announced its 1994-95 worldwide fee income at \$2.2bn - up 13 per cent on last year - and thus completed the global revenue results for Britain's "Big Six" accountancy firms.

The annual world fee income table is as keenly watched as its UK counterpart. It is, however, arguably even less worth reading. It merely illuminates the lack of useful internal information flowing out of some of the world's leading financial service organisations.

The UK version is undermined by annual disagreements about the comparability of the figures. As a general rule, the lower down the table a firm is placed, the more likely it is to discover a good reason why the figures should not be relied upon.

There is less disagreement over the global figures, probably because they are bland to the point of being largely meaningless. The Big Six shared similar growth rates in 1994-95 - except for the rapidly expanding operations of Arthur Andersen, the Chicago-based giant which threatens to dwarf the rest. Its growth rate of 21 per cent is startling. The even-pace of growth among five of the Big Six reflects the competitive nature of the market and the fact that their client base is largely a

THE BIG SIX: Global fee figures for 1994-95

Firm	Revenue (\$bn)	Revenue (£bn)	Growth (%)
Arthur Andersen	2.2	1.1	21
Coopers & Lybrand	2.2	1.1	13
Ernst & Young	1.8	0.9	14
PricewaterhouseCoopers	1.6	0.8	14
Deloitte Touche Tohmatsu	1.5	0.7	14
Price Waterhouse	1.4	0.7	12

common one. In many ways their performance reflects that of the multinational clients which provide the bedrock of their income.

There is, however, increasing scepticism over the real worth of these Big Six comparisons. Fundamentally the whole operation is flawed by its basis - fee income or total billings - rather than profitability or a measure of return on investment.

There is plenty of bickering, behind the scenes at least, over what actually goes into the final fee figures. Some of the firms use "total billings" for example - including income which might be passed on to a third, sub-contracted, party. Others say they show net revenue and nothing more. Others claim to show net revenue or pure "value added" income.

Any comparison between the Big Six on a global basis is flawed. Most are at varying stages in the metamorphosis from being a loose band of accountancy firms in different countries sharing a brand

name to truly global financial service organisations.

The third reason for not treating the Big Six fee income table as a useful benchmark is that in a real sense the firms are no longer competitors. They have grown beyond the auditing and accounting services base which gave them an initial similarity. Their real competitors are often not in the table at all.

Mr Peter Smith, chairman of Coopers & Lybrand International, believes comparisons between the Big Six are now "dated". Cooper's big growth rates in 1994-95 were tax - up 18 per cent - and advice on actuarial issues and human resources from pay to career planning - up 22 per cent. On tax, for example, the competition is not the Big Six but lawyers, says Mr Smith.

Coopers is attempting to get a grip on the global issue: striving to provide its multinational clients with a truly international service that crosses borders without changing quality. It has reformed its

structures to give its international board an operational arm - with support partners in many countries.

"We could see the enormity of the task and it became quite clear that we needed to put more muscle into internationalisation," says Mr Pat Sherry, international executive partner for Coopers & Lybrand. The main growth area here is seen as the globalisation, or in many cases the regionalisation, of the middle market company.

Sherry says that actually getting the firm to work on a global basis is the challenge. "It is very easy to have international as a marzipan layer over the national firms," he says.

Standardisation of technology and education are seen as ways of making globalisation a reality. Senior staff now attend courses in the UK, at Harvard, and in Europe at Insead, near Paris. The firm hopes that a junior inducted in Shanghai will get exactly the same training as a new joiner in Chicago. "We are coming at it from many angles," says Mr Sherry.

Internationally, Coopers seeks to encourage national firms to merge where it makes economic sense. In Latin America, for example, mergers are being designed to reflect international trade pacts. In eastern Asia, consultancy practices have been urged to

join forces. "We are not sitting back in head office and drawing boxes," says Mr Sherry.

As to where the growth is coming from, Mr Sherry has a simple answer to the three key regions for the future: "Asia, Asia and Asia," he says. On reflection he amends that: "Asia, Asia, and north America", reflecting continued forecasts of growth in demand for consulting services in the US and Canada.

Fees from China have tripled and Coopers has 800 people on the ground. The firm has 300 multinational clients in China. But it is still early days and investors are cautious. "There will be losses to be made in China before profits are made in China," says Mr Sherry.

Picking the growth area of the future is an impossible task. Actuarial and human resource advice, the current success story, grew from unpromising beginnings in an office in Atlanta 25 years ago. Now it is providing a motor for growth within the firm.

Mr Smith thinks partnerships offer fertile ground for such commercial creativity. "Historically, these kind of decisions have been taken faster than people have caught up with the fact that decisions have been taken," he says. "But you tell me where the market's going and we'll be there just a little bit ahead."

George Bain suggests policies to ensure a more equal distribution of training for all UK employees

Right of access

There are problems with in-work training in Britain, but they are not what you might think. The common criticism that British management is particularly reluctant to invest in its own employees' skills development is no longer true. The volume of in-work training is similar in the UK to that provided in other countries. There is worrying evidence, however, of damaging inequality in access to training. In other words, those who most need training are least likely to receive it from their employers.

Research conducted for the Commission on Public Policy and British Business shows that about one-third of employees in the UK, France, Germany and the US report receiving training each year. This follows a significant increase in provision of employee training in the UK since the mid-1990s.

But it is not all good news. More than half of employees with a degree receive training from their employers compared with only 17 per cent of employees with no qualifications. Similarly, whereas 50 per cent of those in the top quarter of pay distribution receive training, only a fifth of those in the bottom quarter do so. Part of this inequality is explained by the much lower incidence of training in small firms.

Since training leads to pay-offs -

higher wages for workers, and higher productivity for employers - inequality in access to training contributes both to the widening of UK pay distribution and to lower than potential productivity levels.

There is a distinct divergence here between a sensible course of action for private organisations and the public interest. It may be perfectly rational for individual employers to concentrate training on their most trainable employees since there is evidence that the returns to training are higher the more skilled the worker. But that may not be optimal for the economy and for society as a whole.

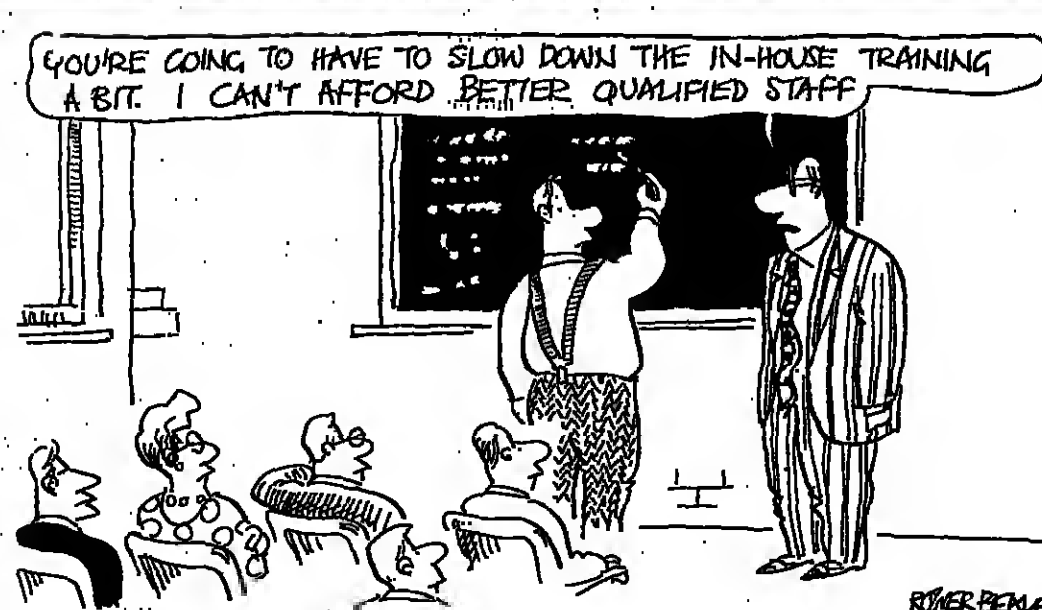
Effective training for Britain's unskilled and low-paid employees would have distinct benefits in terms of reducing income inequality, cutting the number of those dependent on in-work benefits, and making the labour market operate more efficiently. This puts the onus on the state to encourage greater access to employee training.

I believe, however, that many policy proposals for correcting a perceived general deficiency in employee training are inappropriately targeted. Both policies based on carrots (such as national insurance relief) and those based on sticks (training levies) tend to emphasise

the proportion of the pay bill spent on training. They would, therefore, do nothing to help unskilled workers receiving no training in firms where a relatively high proportion of the pay bill is spent on training their more skilled colleagues.

One generalist measure which would address the uneven distribution of training is time off for training for each employee as recommended by the National Commission on Education. This rightly concentrates on the individual employee rather than a firm's training expenditure. But there are two difficulties which would have to be ironed out. First, the scheme lacks flexibility. Off-the-job training may be less effective than on-the-job training for certain types of work. Second, and more important, compulsory time off would affect small employers disproportionately since each individual employee is likely to be a significant cog in the firm's wheel. Exemption for small firms is tempting but would defeat the object since small firms are particularly unlikely to train.

Hence I wish to propose measures which would target the distribution problem in two ways: make unskilled employees more attractive training prospects for employers, and create the local apparatus for small firms to train their employees.



The single most important passport to in-work training is having the ability to gain from that training - the core skills of literacy, numeracy, problem solving, familiarity with information technology and social skills. The best way of doing this is through general education in schools and colleges. But that does not help those unskilled workers already in employment.

These workers need access to courses providing basic versions of core skills at minimal cost to them or the employer. Such courses could be provided in local colleges or at workstations provided by companies using interactive computer-based learning systems. Getting employers to provide the time may require some form of incentive or

subsidy, but the onus should be upon the state to fund basic employee learning through established methods or via new distance-learning arrangements.

The second proposal concerns the institutional framework for employee training at local level. One very sensible approach to increasing the feasibility of training in small and medium-sized enterprises is through networks in which a group of small firms collectively contributes toward a training programme for their employees.

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In addition to their more familiar responsibilities of youth and employment training, are charged with developing employee training. If they were to take more of a lead in this area, however, the Tescos' funding regulations would need to be relaxed to enable them to spend a greater proportion of the resources on the promotion and facilitation of in-work training.

*Stephen Machin and David Wilkinson, *Employee Training: Unequal Access and Economic Performance* available from the IFS, £3.55

George Bain is principal of the London Business School and chairman of the Commission on Public Policy and British Business

Talks aim to stimulate debate

The Guild of Management Consultants is staging a series of talks aimed at stimulating debate on contentious issues. It has lined up Robin Fellow and Jonathan Forrit to talk about "Green economics: a realistic alternative" (January 9), Lord Wakeham, chairman of the Press Complaints Commission, "The media is there to help" (February 20), Maurice Saatchi, "Public opinion is not all that you see and read" (March 5) and Glensy Kinnoch, MEP, "Politics is more than legislation and lobbying" (May 9).

The Guild says it has been inspired by some of the themes which emerged from the Royal Society of Arts' study entitled *Tomorrow's Company*.

The early evening talks will be held at Skinner's Hall, City of London.

The Guild of Management Consultants, 3, Balls Hill, Castle Camps, Cambridge CB1 6TL.

Financial contributions are less important to the success of a joint venture than other contributions such as market knowledge, technical expertise, reputations and contacts, according to an international joint venture survey carried out by Coopers & Lybrand.

The survey comprised 186 respondents from 12 countries and covered the leading industry sectors.

It also showed that the reasons for setting up joint ventures were primarily strategic, focusing on access to new markets and acquiring new technology and expertise.

Eighty one per cent of respondents intend to create more ventures in future.

The Good Energy Manager's Guide mentioned on this page in the issue of December 19 is sponsored by British Gas as well as the Institute of Energy.

Tim Dickson

An unhealthy working week

Stress-related illness costs the UK up to \$4.6bn a year, says Carol Cooper



HEALTH CHECK

The 84-hour working week at blast furnaces was cut in 1980, reducing accidents and absenteeism, but more than a century later management has yet to realise that long hours can be counterproductive.

A recent report from the recruitment organisation Austin Knight reveals that 37 per cent of the white-collar men interviewed work more than 50 hours a week. Among senior staff this proportion rises to 45 per cent. In the current work culture more hours are not only needed to get work done but may also seem a necessary precaution against redundancy.

Long hours can obviously disrupt social and family life, and there is evidence that they damage health too. In 1990, a Californian study of workers aged under 45 showed that those working over 48 hours a week had twice the risk of dying from

heart disease than those working a maximum of 40 hours.

Another piece of research found that 40 per cent of young patients who had had a heart attack worked more than 60 hours a week.

Exactly how long hours harm the heart is unclear, though it may be partly through unhealthy eating and lack of exercise. It has also been shown that people with mild hypertension have a higher blood pressure at work than at home.

Sudden death from overwork, better known as *karoshi*, is thought to kill up to 10,000 white-collar workers in Japan every year. It is recognised by the Tokyo government as a major surviving families have since

hours a week, and death occurs from stroke in about 60 per cent or coronary heart disease in about 88 per cent. Again, the mechanism is uncertain, but cultural or ethnic factors could be important here; for instance, stroke is more common in Japan than in Europe.

In Austin Knight's report, 76 per cent of workers believe that long hours adversely affect their physical health. There is evidence, albeit mostly anecdotal, of minor health problems in those who work excessive hours. At weekends, overworked executives may regularly suffer sore throats, flu-like symptoms, or migraine ("weekend influenza" has been recognised for decades). Constipation and other bowel symptoms are common in those working long hours.

Stress-related illness is estimated to cost the UK about £2bn (\$4.6bn) a year, and hours of work are, occupational psychologists claim, one important factor in occupational stress.

Despite marked differences between individuals, several studies suggest that depressive symptoms are more common in those who work very long hours (roughly over 60 hours a week). To some extent, motivation and commitment protect against depression, but the effects of overwork seem undeniable.

Of course one cannot be positive that long hours cause depression - or any other adverse health effect - since they often accompany job insecurity, change at work, or intense pressure, factors which complicate the issue.

In contrast, there is no doubt that long hours worsen job performance. Research shows that sustained work reduces vigilance and concentration, and decreases the accuracy of tasks done, especially tasks involving information processing, logical reasoning, or reaction times. In the laboratory, a mere 30 minutes of paying attention to sound signals results in progressively less efficient detection of signals.

Another study shows that after 18 hours of continuous work, reasoning and reaction times drop to 40 per cent of the individual's usual efficiency. Any sleep loss further worsens performance, and in the long term people do not learn to manage without sleep.

On the contrary, sleep loss often makes matters worse by bringing

on symptoms of depression, anger, or hostility.

In an industrial setting, lapses in concentration can be critical. Martin Moore-Ede of the physiology department at Harvard Medical School believes - and he is not alone - that significant industrial accidents, such as Chernobyl and the spill from the Sandoz factory in Basle, both in 1986, are due mainly to fatigue caused by people having to perform outside what he calls their "design specification".

In the office, the effects of long hours can also be damaging, albeit in a less dramatic way. Vigilance deficits have adverse effects on critical reading, handling figures, and performance at meetings, to name a few everyday tasks. As to what constitutes long hours, a precise figure is difficult because breaks can boost flagging mental powers, as a rough guide, research suggests that after 10 or 12 hours one should have called it a day.

The author is a London GP

THE WEEK AHEAD

DIVIDEND & INTEREST PAYMENTS

MONDAY

DECEMBER 25
Abbey National Treasury 7%
Gtd Nts 1996 C\$70.0
Ann Street Brewery Rd 2nd Pf
15.1p

TODAY

Aircraft Lease Portfolio Class
A2 FRN Jun 1997 \$346.73
Bank für Arbeit und Wirtschaft
Sb FRN 1999 \$311.67
Boots 10 1/2% Bd 2017
£2531.25
Elf Int Fin 8 1/4% Gtd Exch Bd
2006 £218.75
First Private Fin Mezz
Asset-Bkd FRN 2021
£2134.76
Do Snn Asset-Bkd FRN 2021
£1589.47
Fuji Bank Int Fin Un Sb Ver
Rate Nts Y23048.0
Furukawa Elec FRN Mar 1998
Y19173.0
Do Jun 1998 Y19173.0
Guinness Fin Australia 10 1/2%
Nts 1997 AS105.0
Halifax Bldg Scty Sb Var Rate
Nts £185.04
Italy (Rep of) FRN 2000
\$301.93
Marine Midland Bank FR Sb
Cap Nts 1996 \$153.39
Midland Bank Und FRN (Jun
1995) \$318.18
Mitsubishi Fin Int FRN 2000
\$25589.06
Mitsubishi Oil 4.2% Bd 2003
Y420000.0
Sabre Int (No 2) Ser P Var
Rate Nts 1998 Y18487.0
Skipton Bldg Scty Sb FRN
2000 \$39801.54
Stans 1 Class A Ftg Rate Mtg
Bkd 2029 £138.36
Sumitomo Realty FRN 1997
Y846904.0
Town Centre Sec 10 1/2% 1st
Mtg Db 2021 £5.25

TSB Gilt Fd Ptg Pf 0.88p
Tuntex (Thailand) FRN 1998
\$186.20

TOMORROW

Abbey National Treasury 8 1/4%
Gtd Nts 1995 C\$82.50
Abtrust Lloyds Ins Tst 1.55p
Barings Gtd FRN 2001 \$15.79
Britannia Bldg Scty FRN 1997
£173.59
Chesterfield Props 4.4p
Jersey Phoenix Tst 1.25p
Smith & Nephew 5 1/2% Cv Bd
2000 \$275.0

FRIDAY

DECEMBER 29
ABI Leisure 2.93p
Alex & Alex \$0.025
Do Class C 0.016p
Alexanders 9 1/2% Pf 3.325p
All Nippon Airways 4.4% Nts
2000 Y440000.0
Anglo Fin No 2 Mezz FRN
2004 £1913.58
Asprey 8 1/2% Pf 2.275p
Do 9 1/2% Cm Pf 4.875p
Avon Rubber 4.9% Pf 2.45p
B&S Int 0.7p
Bardon 3.85% Pf 1.925p
Do 11.25p Cm Pf 2005 5.625p
Black & Decker \$0.10
Bodycote Int 2.4p
Brake Bros 2.7p
Bridon 10 1/4% Bd 1991/96
£5.125
Do 6 1/2% Un Ln 2002/07
£3.3125
Do 7 1/2% Un Ln 2002/07
£3.875
Britannia Bldg Scty Sb FRN
2006 £2080.88
Britannic Assurance 5%
Tax-Free Cm Pf 2.5p
Cadbury Schweppes 8% Nts
2000 £10.89
Charnos 7% Pf 2.45p
Chelsea Bldg Scty Sb FRN
1999 £39482.88
Clydeport Operations 3% lmd
£1.50
Do 4% lmd £2.0
Collateralised Mtg Sec (No 8)
Mtg Bkd FRN 2028 £110.21
Do (No 11) Class A Mtg Bkd
FRN 2028 £103.88
Commonwealth Bank of
Australia 10 Yr Gtd Ext FRN
\$301.98
Copenhagen Handelsbank Sb
FRN 2000 \$303.33
Development Sec 11 1/2% 1st
Mtg Db 2018 £5.50
Dunlop Int Mtg 0.49p
EMAP 5% Pf 1.75
Ebara 4 1/2% Bd 2000
Y450000.0
Emess Cv Pf 3.125p
Engelhard \$0.09
Estates & Agency 11 1/4% 1st
Mtg Db 2020 £5.625
Fidelity European Values
Equity IL Un Ln 2001 1.0522p

Fidelity Special Values Equity
IL Un Ln 2004 £5.273648
F & C Inc Growth Inv Tst 0.75p
Fortnum & Mason 58p
Fuji FRN 1997 Y256728.0
Fulcrum Inv Tst 1.4p
Gartmore Smaller Co's Tst
4.25p
Gaskell 5% Pr 1.75p
Geest 3.7p
General Cons Inv Tst 3p
Gramplan 7% Pf 2.45p
Great Universal Stores 5 1/2%
Rd Ln £2.8875
Do 6 1/2% Rd Ln £3.1875
Helene 0.43p
Homer Fin (No 1) Class A FRN
2028 £101.23
Do Class B £219.97
Do (No 3) Class A1 FRN 2036
£82.32
Do Class A2 £175.22
Do Class A3 £178.34
Do Mezz £192.67
Hunting 4.2% Pf 2.1p
Inchcape 7.5p
Italy (Rep of) FRN 1998 \$77.41
Jupiter European Inv Tst 1.4p
Kayser Bonard 6% Cm Pf 2.1p
Kyushu Elec 8 1/2% Nts 1999
\$406.25
London & Assoc Props 0.05p
Morgan Grenfell Equity Inc Tst
0.4p
Narborough Plantations 1.2p
Do 20% Pf 1p
National & Provincial Bldg Scty
8 1/2% Nts 1997 £862.50
NHL (3) Class A1 Mtg FRN
2036 £97.82
Do Class A2 £178.34
Do Mezz £192.67
NHL (1) Dtd Int Mtg FRN 2028
£25.95
Northern Telecom \$0.11
Portsmouth & Sunderland
Newspapers 3.88p
Ragby Gtd FRN Oct 1997
\$4893.75
Residential Prop Sec No 3
Class A1 FRN 2025 £425.57
Do Class A2 £175.21
Do Class B £2014.0
River & Mercantile Geared Cap
& Inc Tst 1999 1.463p
Royal Bank of Canada Ftg
Rate Db 2005 \$47.83
Royal Bank of Scotland 5 1/2%
Pf 1.925p
Do 11% Pf 3.85p
Do Ser A Non-Cm Pf
\$0.703125
Do Ser B \$0.70
Do Ser C \$0.59375
Saracen Value Tst 0.6p
Savoy Hotel 4% 1st Mtg Db
£2.0
Savoy Theatre 4% 1st Mtg Db
£2.0
Schroder Split Fd 1.9p
Scottish Eastern Inv 4 1/2% Cm
Pf £1.575
Seagram \$0.15
Seymour River Crossing 6% IL
Db 2012 £3.333
Shires High-Yielding Smaller

Co's Tst 1.25p
South African Breweries R0.57
SwedBank Sb FRN 2002
\$358.27
Takara 11.8% 1 Mtg Db 2014
£5.90
TSB Perp FRN £184.18
UniChem 2.7p
United Auctions 4p
United Kingdom FRN 1996
\$142.18
VTR 2.8p
Wells Fargo FRN 2000
\$48.33
Woolwich Bldg Scty FRN 1997
£174.91
Wynnstay Props 1.5p
Yasuda Tst Asia Pacific Fxd/
FRN A 2004 \$3228.84
Do B 2004 \$3278.40
Do Gtd Amstd FRN 2004
\$1611.46

SATURDAY

DECEMBER 30
British Fittings 5 1/2% Cv Pf
2.75p
Courts Consulting 2nd Cv Pf
4p
Ex-Lands 7 1/4% Cv Ln 2020
£3.75
Gartmore Shared Equity Tst
Geared Inc 2.4p
Ladbroke Fin (Jersey) 9% Cv
Bd 2005 £45.0
Maclean-Glenlivet 6 1/2% Cv Ln
2005 £3.125
Scottish National Tst 8% Cm
Pf 2.1p

SUNDAY

DECEMBER 31
Allied Domecq 11 1/4% Db.
2009 £5.875
Allied Lon Props 10 1/4% 1st
Mtg Db 2025 £5.375
Anglo & O'sees 8 1/2% Db 2020
£0.885
Antofagasta 5% Cm Pf 2.5p
Asda Prop 5 1/2% Cv Pf 2012
2.5625p
Bampton 8 1/4% Un Ln 2002/07
£4.125
BOC 4.55% Cm Pf 2.275p
Do 2.8% Cm 2nd Pf 1.4p
Do 3.5% Cm 2nd Pf 1.75p
Boddington 9 1/2% Un Ln 2000/
05 £4.75
Bouthorpe 7% Un Ln 19/95
£3.50
Bramble (TF & JH) 5% Cm Pf
2.5p
Bristol Water 3 1/2% Perp Db
£1.75
Do 4% Perp Db £2.00
Do 4 1/4% Perp Db £2.125
British Guiana Demerara Rlwy
4% Perp £2.00
Do Anns 50p
Brixton Est 5% Cm Pf 0.875p
Do 9 1/4% 1st Mtg Db 2026
£4.75
Do 11 1/4% 1st Mtg Db 2023
£5.625
Do 10 1/4% 1st Mtg Db 2025

£5.375
Broadsterner 6% Cm Pf 2.1p
Burford 9 1/4% 1st Mtg Db 2019
£4.8125
Capital & Counties 11 1/4% 1st
Mtg Db 2021 £5.625
Do 9 1/4% 1st Mtg Db 2027
£4.8375
Chartwell Int Rd 8% Pf 0.79p
Chester Water 11 1/4% Rd Db
1998/2000 £5.6875
City Site Estates 7% Un Ln
2005/06 £3.50
Coats Patons 4 1/2% Un Ln
2002/07 £2.25
Do 6 1/4% Un Ln 2002/07
£3.375
Commercial Union 8 1/4% Cm
lmd Pf 4.375p
Coolson 7% Cm Pf 2.45p
Co-operative Wholesale 7 1/2%
1st Mtg Db 2018 £3.8125
Cowie 10 1/4% Cm Pf 2.625p
Croda Int 5.9% Pf 2.95p
Do 6.8% Pf 3.3p
Dead Sea Works 5% Db 2002
NIS0.25
De Beers Centenary Fin 9 1/4%
Gtd Bd 2020 4.875p
Debenhams 7 1/4% 2nd Db
1991/96 £3.625
Delta 4.2% Cm 1st Pf 2.1p
Do 3.15% Cm 2nd Pf 1.575p
Dencora 8 1/4% Rd Pf 3.125p
Denmark (Kingdom of) 13% Un
2005 £6.50
Derby Tst 7 1/4% Db 1999/2003
£3.75
Eastbourne Water 10 1/4% Rd
Db 1995/97 £5.25
Do 11.2% Rd Db 2005/09
£5.80
Do 12 1/4% Rd Db 2004 £6.25
Ecclesiastical Ins 10% Cm 2nd
Rd Pf 5p
Do 8 1/2% Non-Cm lmd Pf
2.41027p
Edinburgh Inv Tst 11 1/2% Db
2014 £5.75
EIS 3.5p
Do 5% Cm Pf 1.75p
Electric & Gen Inv 10.1% Db
1997/2002 £5.05
Estates & Gen 11.25% 1st Mtg
Db 2018 £5.625
Everards Brewery
5% Cm Pf 1.75p
Finley (J) 4.2% Cm 1st Pf 2.1p
Do 4.2% Cm 2nd Pf 2.1p
Do 5% Cm 2nd Pf 2.5p
Five Arrows Curr Fd Ptg Rd Pf
A\$ Fd A\$0.46901
Do Bf Fd Bf13.38327
Do CS Fd CS 0.56872
Do FL Fd FL0.72104
Do DK Fd DK0.73953
Do DM Fd DM0.64369
Do ECU Fd ECU0.35973
Do FF Fd FF12.84141 Do HK\$
Fd HK\$28203
Do Lira Fd L1178.0894
Do NZ\$ Fd NZ\$ 0.94322
Do S\$ Fd S\$ 0.12704
Do Peseta Fd Pes03.19325
Do Fd Fd 27.0531p
Do SWFr Fd SWFr0.25477

Do SKr Fd SKr\$3.90695
Do US\$ Fd \$0.86048
Do Yen-Fd Y0.22
Fleming American Inv Tst 5%
Cm Pf £1.75
Do 7% Cv Un Ln 1999 £3.50
Fleming Claverhouse Inv Tst
11% Db 2008 £5.50
Fleming Overseas Inv Tst 5%
Cm Pf 1.75p
F & C Inv Tst 11 1/4% Db 2014
£5.825
Fortnum & Mason 7% Cm Pf
2.45p
Friendly Hotels 5% Cv Pf 2.5p
Frogmore Essts 13.85% 1st
Mtg Db 2000/03 £6.925
GATX \$0.40
GR Hldgs 10 1/4% 2nd Pf 5.25p
General Cons Inv Tst Stppd Pf
2.1565p
Glynwed Int 7 1/4% Cm Pf
2.7125p
Halstead (J) 5 1/4% Pf 1.925p
Hawtin 4.55% Pf 2.275p
Headlam 5.6% Pf 2.8p
Higgs & Hill 7% Pf 2.45p
IMI 5 1/4% Un Ln 2001/06 £2.75
Int Inv Tst of Jersey 13% Cm
Pf 8.5p
Kilroot Electric 9 1/2% Db 2009/
10 £4.75
Kleinwort O'sees Inv Tst 4%
Cm Pf £2.00
Lazard Smaller Equities Inv Tst
Cm Stppd Pf 6.375p
Lex Service 6 1/4% Pf 2.275p
London Park Hotels 10 1/4% 1st
Mtg Db 2000/05 £5.25
Manganese Bronze 8 1/4% Cm
Pf 2.8875p
Marley 11 1/2% Db 2009
£5.9375
Marshalls 11 1/2% Db 1992/
2014 £5.6875
Marshalls Universal
7 1/4% Rd Pf 3.75p
Mervale Moore 10 1/4% 1st Mtg
Db 2020 £5.25
Mid-Kent Water 4% Perp Db
£2.00
Do 5% Perp Db £2.50
Mid Southern Water 3 1/4%
Perp Db £1.75
Do 5% Perp Db £2.50
Molyneux Fin 8 1/4% 1st Mtg Db
2019 £4.125
More O'Fennell 10% Cm 2nd Pf
5p
Mucklow (A & J) 7% Cm Pf
2.45p
Murray Int Tst 4% Db £2.00
News 5% Cm Pf 1.75p
News Int 7% Cm 1st Pf 2.45p
Do 8% Cm 2nd Pf 2.8p
Newton Chambers 5% 1st Cm
Pf 1.75p
North East Water 3.75% Rd
Db 2012 £1.875
Do 12% Rd Db 2005 £6.00
Northern Rock Bldg Scty
12 1/2% Perm Int Brg £63.125
North Surrey Water 5% Db
£2.50
Pascoes 7 1/4% Cv Pf 3.75p
Pearson 9.3% Un Ln 1997/
2001 £4.65
Do 13 1/4% Un Ln 2007
£6.8125
Pittards 9.5% Cm Pf 4.75p
Paintation & General-Invs 9%
Cv Ln 1999 £4.50
Quarto 8.75p Pf 4.375p
Queens Most Houses 12% 1st
Mtg Db 2013 £8.0
Quicks 10% Cm Pf 5p
REA 9% Cm Pf 4.5p
Do 12% Cv Ln 2000 £6.0
Record 10% Cm Rd Pf 5p
Regis Prop 8 1/4% Gtd Un Ln
1997 £4.375
Retail Corp 6 1/4% Cm Pf
2.275p
Do 5 1/4% Cm 2nd Pf 2.0125p
River & Mercantile Tst 5% Pf
£1.75
River Plate & Gen Inv Tst 4%
Db lmd £2.00
Robinson (Fyders Green) 11%
Pf 5.5p
Rolls-Royce Power Eng 3%
Cm Pf 1.5p
Do 5 1/4% Cm Pf 2.6875p
Do 11% Cm Pf 5.5p
Ropner 11 1/2% Cm Pf 5.75p
Ripkor 9 1/2% Cm Pf 4.75p
Rugby 8% Un Ln 1993/98
£3.00
Do 7 1/4% Un Ln 1993/98
£3.875
St Andrews Tst 5 1/4% Cm Pf
£1.8375
St David's Inv Inc 7p
Schroders 8 1/4% Un Ln 1997/
02 £4.375
Scottish Mortgage & Tst
6-12% Stppd Int Db 2028
£8.00
Simons Eng 9 1/4% Db 1992/97
£4.625
Sinder 7 1/4% Cm Pf 2.625p
Slough Estates 11 1/4% 1st Mtg
Db 2018 £5.625
Do 12 1/4% Un Ln 2009
£6.1875
Smurfit (Jefferson) 6% Gross
Pf IR2.5488p
Sunderland 3% Fd Debt Anns
£1.50
Do 4 1/4% Fd Debt Anns £2.25

2001 £4.65
Do 13 1/4% Un Ln 2007
£6.8125
Pittards 9.5% Cm Pf 4.75p
Paintation & General-Invs 9%
Cv Ln 1999 £4.50
Quarto 8.75p Pf 4.375p
Queens Most Houses 12% 1st
Mtg Db 2013 £8.0
Quicks 10% Cm Pf 5p
REA 9% Cm Pf 4.5p
Do 12% Cv Ln 2000 £6.0
Record 10% Cm Rd Pf 5p
Regis Prop 8 1/4% Gtd Un Ln
1997 £4.375
Retail Corp 6 1/4% Cm Pf
2.275p
Do 5 1/4% Cm 2nd Pf 2.0125p
River & Mercantile Tst 5% Pf
£1.75
River Plate & Gen Inv Tst 4%
Db lmd £2.00
Robinson (Fyders Green) 11%
Pf 5.5p
Rolls-Royce Power Eng 3%
Cm Pf 1.5p
Do 5 1/4% Cm Pf 2.6875p
Do 11% Cm Pf 5.5p
Ropner 11 1/2% Cm Pf 5.75p
Ripkor 9 1/2% Cm Pf 4.75p
Rugby 8% Un Ln 1993/98
£3.00
Do 7 1/4% Un Ln 1993/98
£3.875
St Andrews Tst 5 1/4% Cm Pf
£1.8375
St David's Inv Inc 7p
Schroders 8 1/4% Un Ln 1997/
02 £4.375
Scottish Mortgage & Tst
6-12% Stppd Int Db 2028
£8.00
Simons Eng 9 1/4% Db 1992/97
£4.625
Sinder 7 1/4% Cm Pf 2.625p
Slough Estates 11 1/4% 1st Mtg
Db 2018 £5.625
Do 12 1/4% Un Ln 2009
£6.1875
Smurfit (Jefferson) 6% Gross
Pf IR2.5488p
Sunderland 3% Fd Debt Anns
£1.50
Do 4 1/4% Fd Debt Anns £2.25

UK COMPANIES

TOMORROW

COMPANY MEETINGS:
Jupiter European Inv Tst.
Knightsbridge House, 197,
Knightsbridge, S.W., 10.30
North American Gas Inv
Trust, Knightsbridge House,
197, Knightsbridge, S.W.,
11.30
BOARD MEETINGS:
Final:
BB & EA
Interims:
BBB Design
Staneco

FRIDAY DECEMBER 29

COMPANY MEETINGS:

Temple Bar Inv Tst 9 1/2% Db
2017 £4.9375
Tendring Hundred Water 4%
Db £2.00
Tennessee Gas Pipeline 10%
9 1/2% Cv Ln 1991/95 £5.0
Total 4 1/4% Perp Db £2.375
Trafalgar House 5.575% Cm Pf
2.7875p
Do 7% Un Db 3.5p
Do 10 1/4% Un Ln 2001/06
£5.125
Transport Development 4.7%
Pf 2.35p
Do 10 1/4% Un Ln 1993/98
£4.125
TR City of London Tst 11 1/4%
Db 2014 £5.75
TR Technology Stppd Pf
3.51775p
Do Units 14.071004p
Unigate 6 1/2% Un Ln 1992/97
£3.25
United Kingdom Prop 8 1/4% Un
Ln 2000/05 £4.25
Waddington 4.2% Cm Pf 2.1p
Do 5.6% Cm Pf 2.8p
Watnoughs 8 1/4% Cm Rd Pf
2008 4.125p
West Kent Water 4% Perp Db
£2.00
Whitpool \$0.34
Widney 8.75% Cv 2nd Pf 2000
4.38p
Williamson Tea 6% Cm Pf
2.1p
Wilson (Connolly) 8% Cm 1st
Pf 2.8p
Do 10.5% Cm 2nd Pf 5.25p
Wolverhampton & Dudley
Brews 6% Cm Ptg Pf 2.8p
Wood (A) 7 1/4% Cm Pf 2.625p
Wyevale Garden Centres 8.5p
Cv Pf 4.25p
Yorkshire Chems 5% Cm Pf
1.75p
York Waterworks 5% Deb
£2.50

Conrad, Conrad House,
Longwood Road, Paddock,
Huddersfield, 10.00
Trade Computers, 224-232,
St. John Street, E.C., 2.30

Company meetings are annual
general meetings unless
otherwise stated.

Please note: Reports and
accounts are not normally
available until approximately
six weeks after the board
meeting to approve the
preliminary results.



We're toasting
twenty-six years
of Asia Pacific
exploration
and discovery
with a nice
cup of tea.

It started in Indonesia, when we committed our skills to help meet the energy needs of growing Asia Pacific countries. Over the years, we've added billions of dollars to the region's economy. Our assets in the region exceed \$2 billion. Now, we're producing oil and gas in Indonesia, about to commence producing gas in China and exploring for petroleum elsewhere throughout the region.

ARCO was the first American oil company to initiate an exploration agreement with China. That was in 1981. Today, we are developing the

largest Chinese offshore natural gas discovery ever. It's in the South China Sea. Gas deliveries via an 800-kilometer undersea pipeline will begin to Hong Kong early next year.

Our Asia/Pacific commitment is stronger than ever. We are continuing our contribution to the region's economic growth with the resources of ARCO's four major businesses — petroleum exploration and production, refining and marketing, petrochemicals and coal mining. As each develops in the years ahead, we look forward to helping the region fulfill its economic promise.

ARCO

150 000 000



Television/Christopher Dunkley

Year of the Brass Rat

At the end of 1995 two programmes stand out from the television year: the *Panorama* interview with Princess Diana, and the autumn adaptation of *Pride and Prejudice*. They had much in common: marital melodrama, female pulchritude, a keen horseman in the background presented sometimes as a victim but mostly as a villain, huge ratings, and of course the same originating network - BBC.

The BBC's future should surely not be in too much doubt while the organisation can win the sort of prestige that it did with Andrew Davies' splendid adaptation of the Austen novel and at the same time show a clean pair of heels to every other news and current affairs outfit in the world. Be in no doubt about this, incidentally: we would not have had a whiff of the four grapes dished up by the BBC's competitors ("What is the royal family coming to... How dare the BBC...") had one of those competitors got the scoop itself.

Were this column to have a set of metal animals to add to the Golden Beasts, Silver Swallows and so on awarded at various festivals - Brass Rat, perhaps - then the one for drama in 1995 would certainly go to *Pride and Prejudice* although it was not the year's only impressive piece of work. Among other adaptations there was an excellent *Little Lord Fauntleroy* (also from BBC) in January, and *The Choir* in March (BBC again), about angst in a cathedral choir. That, clashed with ITV's gritty, not to say grimy, saga *Sand of Gold*, about prostitutes scraping a living on the streets of Bradford.

Hamlet Macbeth (BBC) yet again brought us a somewhat idiosyncratic Scottish policeman in March, and then we had to wait until the autumn season for Alan Bleasdale's long and under-plotted yet engrossing account of *Jackie's Progress* on Channel 4. In all sorts of circumstances, aficionados around the country were urging one another "Fleh with me, Dad!" And of course ITV brought us a last, though anything but inferior, series of *Cracker* with Robbie Coltrane as the fat, carousing, gambling, womanising police psychologist Fitz.

It was a relatively rich year for drama. In the other categories, for the sake of space, we shall have to stick to a shortlist of three (at most) and a single winner for the Brass Rat. The finalists for the Factual Series award were: *In The Company Of Men*, Molly Dineen's BBC2 trio of documentaries about the members of the Welsh Glamour Regiment; *The People's Century*, a large undertaking - not yet finished - using archive and new interview material to tell the story of the 20th century from the point of view of the ordinary person; and *Secret Lives*, Channel 4's revisionist series which has sought to adjust our ideas on such people as Marie Stopes and Baden Powell. And this winner is (sound of ripping envelope): *The People's Century* for its scope and thoroughness.

Shortlisted for the Arts award are three BBC2 series: *Landscape And Memory* in which my old classmate Simon Schama discussed the ways in which landscape shaped culture, and vice versa, in Europe and the US; *Chino Europe*, a fascinating sleight-of-hand by David Gill and Kevin Brownlow of the early days of film making in Europe; and

Painting The World, a series screened at the start of the year in which Neil MacGregor, director of the National Gallery, proved that an articulate man in possession of such knowledge can stand in front of a picture, keep you enthralled for half an hour, and leave you wanting more. And the winner is... *Painting The World*. We could do with more programmes from MacGregor and his producer Patricia Wheatley - who does not editorialise on paintings but shows them as the painters intended (whole) - as soon as they like.

The best current affairs programme I have seen in the past 12 months was the Danish entry at this year's Prix Italia: *Spillet Om Europa* ("Endgame Europe"). It showed with more economy and impact than any of the British programmes on the same subject which I have seen, the reasons why it is becoming impossible to sustain cradle-to-the-grave welfare states in Europe. Others have shown that Asia is not merely ahead in textile production but racing ahead in high technology and even computer software - at a tenth of European wages. But this programme showed how attitudes are also crucial. The attitude to education in Asia today seems to be what it was in Britain 100 years ago: get it at all costs.

However, the Brass Rat is intended for British made programmes, so the shortlist is: *Messengers From Moscow*, Daniel Wolf's BBC2 series looking at the cold war from the Soviet side; *Westminster's Secret Service*, a 60-minute programme shown in May in which

Michael Cockrell investigated the world of the Parliamentary whip; and *The Death Of Yugoslavia*, a five-part (soon to add a sixth) BBC2 series which undertook the daunting job of explaining how and why the events of the last few years occurred in Yugoslavia. And (as a drum) the winner is *Messengers From Moscow* which exploited recently released archive material brilliantly.

Comedy remained in the doldrums in 1995. In May BBC1 screened a new series called *Next Of Kin* which seemed to have potential: Penelope Keith played an old fashioned meat-eating, ear-cutting grandmother, landed with a trio of tree-hugging grandchildren after the son and daughter-in-law die in an accident. The generation gap plus political correctness seemed to me quite promising, but we have heard nothing more of the series. *Due South* was an amusing import from Canada about a supposedly naive Mountie from the boondocks who becomes attached to a big city police department in the US and (oh, you guessed) proves smarter than the average urban cop. However, the Brass Rat goes to Channel 4's *Rory Bremner: Who Else?* a show which keeps on getting tougher and funnier. John Bird and John Fortune get a special raft to themselves.

Ken Campbell is awarded the ears and tail for being the only person this side of Alpha Centauri who would even try to explain big bang theory and the whole of modern physics - parallel universes, strong and weak forces, even charm - to the general public via television, in a Channel 4 series called *Reality On The Rocks*. David Attenborough



Jennifer Ehle and Colin Firth as Elizabeth Bennet and Mr Darcy in the BBC's adaptation of Jane Austen's *Pride and Prejudice*

gets the still the Best in The World And No Signs Of Flapping award for *The Private Life Of Plants*, shown on BBC1 at the beginning of the year. And Live TV, the cable channel launched by the Daily Mirror, receives a special award for being such a good sport. Having called

upon Janet Street-Porter to create a 24-hour network with a budget which could quite easily have sustained a moderate sized chip shop, they then called in former Sun editor Kelvin MacKenzie to oversee matters... yet they allowed Robert Thirkell to film the resultant deba-

cle for the recent BBC2 documentary *Nightmare At Canary Wharf*. That shows a sense of humour. Shall we have better television in 1996? It is possible, but what is certain is that we shall have more, making it harder than ever to distinguish the good bits.

Drama offstage, but the play's the thing

Well, Stephen Fry walked out of a West End play, and Fiona Shaw played Richard II - but otherwise 1995 has proved a very ordinary year for British theatre. Big events like the new Shoreditch play (*Indian Ink*) and Ralph Fiennes's return to the stage (*Hamlet* at the Hackney Empire) amounted to rather less than we might have hoped for. The RSC had too high a proportion of duds; the Redgrave's season at the Riverside had too much dross; and so on.

But an ordinary year for British theatre would be an extraordinary year anywhere else. Just to top the names: there were new plays by Ray Cooney, Michael Frayn, Simon Gray, David Hare and Tom Stoppard. And productions of plays by Pedro Calderon de la Barca, Heinrich von Kleist, Friedrich Schiller, Odou von Horvath, Sean O'Casey, Max Frisch, Eduardo de Filippo, Sam Shepard, and Jose Rivera. Judi Dench, Gemma Jones, Julia McKenzie, Vanessa Redgrave, Maggie Smith, Fiona Shaw, Juliet Stevenson, Frances de la Tour, Harriet Walter, all performed in London; as did Alan Bates, Brian Cox, Michael Gambon, Alan Howard, Eddie Izzard, Rick Mayall, Paul Martin, Harold Pinter, Stephen Rea, Simon Russell Beale, Antony Sher. Out of London you could see Lauren Bacall, Patrice Chereau, Derek Jacobi, Alec McCowen, Ian Richardson, Penelope Wilton... True, some proved disappointing; but it is a luxury to be able to say so.

The best new plays, in fact, came not from the best-known names. Patrick Marber's *Dealer's Choice* was more than a highly accomplished first play; an enthralling study of the vulnerability of men who play poker, it moved with assurance from hilarity to dark

emptiness. I am sorry to have missed another new play that won golden opinions: Jonathan Lewis's *Our Boys*, about life in a military hospital, both at the Derby Playhouse. (And I missed Sarah Kane's controversial *Blasted* at the Royal Court's Theatre Upstairs). Sebastian Barry's *The Steward of Christendom* - at both the Royal Court's Theatre Upstairs and the main theatre - mixed poetry, memory, and psychology in its compassionate portrait of a part-mad old Irishman. Phyllis Nagy gave us two new plays. The more prestigiously presented of the two, *The Ship at the Royal Court*, proved an overblown, over-theatrical, and *Disappeared*, a touring production that later arrived at the Court's Theatre Upstairs, was enthralling.

But it was not the new plays that caused most of the talking. Nor was it always the famous actors: witness several productions at the National Theatre. Deborah Warner's staging of *Richard II* worked so beautifully at the Cottesloe, and contained several supporting performances so first-rate that I would call it the Shakespeare staging of the year. What if it not for Shakespeare's name, and the title role. You could argue about Alan Howard's performance in Eduardo de Filippo's *La Grande Moglia* at the Lyttelton, but the fascinating thing was the play itself. In Phyllida Lloyd's Lyttelton staging of *The Way of the World*, Geraldine McEwan's performance deserved an award rather less than her costume, and the whole anatomy of the play's new look. It not for Shakespeare's name, and the title role. You could argue about Alan Howard's performance in Eduardo de Filippo's *La Grande Moglia* at the Lyttelton, but the fascinating thing was the play itself. 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COMMENT & ANALYSIS

LEADERS FOR A
NEW MILLENNIUM

Hajime Funada • By William Dawkins

A rebel with discretion

The Japanese tradition that wisdom is a function of seniority makes it hard to identify the country's next generation of leaders. The seriously ambitious find it prudent to be discreet.

But Mr Hajime Funada, 42, who two years ago enjoyed a brief six months as Japan's youngest ever cabinet minister, is probably one of the young Japanese politicians best qualified to become a prime minister in the 21st century. Although discreet in the best Japanese manner, he has an urge to reform the political system and enjoys the support of some powerful friends.

Earlier this month, a poll of political journalists by Bungei Shunjin, the respected political magazine, identified Mr Funada, a senior member of the opposition New Frontier party, as one of the two people most likely to lead Japan in the next century. He came a narrow second to Mr Yukio Hatoyama, 48, secretary general of the New Harbinger party, smallest member of the government coalition.

One of the factors that marks Mr Funada out from the crowd is a clear head for policy. Until recently patronage took precedence over policy in Japan, but that is starting to change. "Japanese politics lacks focus. Winning elections is not about whether you can promise a political platform. In most voters' minds, the focus is whether you like the fellow," says Mr Funada.

"Anybody can claim to make people happy. But not even God can make everybody happy. Political leaders of the future must have the will to persuade people that painful reforms are necessary," he argues. Lacking such persuasive leaders, Japanese voters have been lulled into a state where they no longer have a clear idea of what they want, he says.

That is one reason why the Japanese government finds it impossible to respond decisively to the multiple economic, financial and social crises now before it, he believes.

Among the tough national decisions which Mr Funada sees ahead are the simplification of Japan's costly distribution system, in which several layers of middlemen take a slice of profit before products reach the customer at an inflated price. He admits that hitting distribution is especially unpopular in his constituency of Tochigi, central Japan, where wholesalers are a big lobby.

Another of his credos is to curb the fiscal deficit - now nearly 8 per cent of gross domestic product - which, as the French government has found out in



'Political leaders of the future must persuade people that painful reforms are necessary'

recent months, can be the bitterest of medicines for voters to swallow.

At first meeting, it is hard to discern what gives Mr Funada, an amateur astronomer, star quality. Polite and neatly dressed in a dark suit, he resembles a family solicitor rather than a political hot-shot. Asked if he is ambitious, Mr Funada laughs nervously and evades the question.

The clue to Mr Funada, suggest his friends in the New Frontier party, may be that he neatly bridges the old and new worlds of Japanese politics, an asset in a country where evolution rather than revolution is the principle of change. Mr Funada's roots are in the old world, where personal relations count for more than policy. But he has used them to build a career as a quiet rebel, pushing for a new world in which policies are more prominent.

In traditional fashion, he inherited the constituency of his grandfather - a former speaker of the lower house of parliament - at the age of 35. That was the start of what could have been a promising career in the Liberal Democratic party, which ruled Japan for nearly four decades until it started a 10-month period in opposition in mid-1993, in part prompted by defections by Mr Funada and others.

As head of the LDP's youth section, Mr Funada was a rising star of the Takeshita faction, the biggest in the party and as such the nearest thing to a centre in Japan's diffuse power structure. Thus, he was able to jump the usual decades-long queue to a cabinet place and become minister of economic planning in late 1992. As minister, Mr Funada embarrassed himself by forecasting economic recovery in early 1993, weeks before the upturn collapsed into what turned out to be a triple-dip recession, the deepest in postwar years.

But it was frustration with the LDP's gerontocratic ways, rather than the vagaries of Japan's economy, that prompted Mr Funada to join a new group in mid-1993, formed by other party dissidents devoted to changing the face of Japan. It was the core of the coalition which formed the present New Frontier party last December.

At the outset, the new party aimed to replace faction politics with a competitive two-party system, in which leaders could rise by their ability, rather than with the help of personal relationships nurtured by decades of attendance at constituency weddings and funerals.

Mr Funada, having abandoned a comfortable future in the Takeshita faction, was among the first to point out the failings that emerged in this new party soon after a difficult launch. In a magazine article last spring, he condemned it for having even vaguer policies than the LDP, and for being just as faction-ridden.

"We have all-round policies, like a restaurant menu. We can cook this or that, but there's no chef's recommendation," he complained.

Today, he believes that the New Frontier party could break up at any time. But this does not mean, he argues, that Japan's attempt at political reform is dead.

The early demise of the first post-LDP government of Mr Morihiro Hosokawa in early 1993 interrupted the creation of a political system more responsive to voters' aspirations, but did not kill it.

The next stage, he forecasts, may be the split of the New Frontier party into two groups, one to ally with further LDP defectors and another, including Mr Funada, to join up with the remnants of the Socialist party.

The future may be chaotic, and it may take two or three general elections, beginning next year, for Japan's slow political realignment to clarify into a stronger form of government. But look out for Mr Funada. The chances are that he will step more deftly through the political fog than most.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 0HL

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Irish Steel row points to weak decision making

From Professor Ray Kinsella

Sir, The approval by the European Union Industry Council ("London and Dublin aid row", December 21) of the Irish government's decision to provide financial aid to Irish Steel as part of that company's privatisation was sensible. But the manner in which agreement was reached - including a last-minute "shoot-out" at a specially convened council - was anything but sensible. It highlighted the need for more subtle and robust decision-making processes than those that exist or are envisaged in the Maastricht treaty.

There is another lesson to be learnt. In an integrated single market - and much more particularly in a political union - policy is seamless. Tensions and brinkmanship in one area have an impact on other - sometimes apparently unrelated - areas. In this instance, there was little apparent connection between the future of the European steel market and the status of the Anglo-Irish peace process. But the political reality is that such a connection existed. Special relationships may be difficult to formalise, but they are of crucial importance in getting the business done. The

UK's insistence on holding out on the provision of £30m (\$46m) state aid by the Irish government despite the European Commission's approval and the agreement of other member states - and notwithstanding the UK's signing-off on £50m of state aid to the steel industry in other EU members or the £4.5m spent on preparing British Steel for privatisation - was wilful. It cast a shadow over relations between the two governments at a sensitive time.

There may be domestic political capital to be made out of such brinkmanship. But it comes at the cost of straining bilateral relations between member governments where personal chemistry and goodwill between ministers are central to leadership, especially in contentious areas.

At EU level, this kind of political drama simply serves to undermine the proper purpose and indeed credibility of the council. Post-1996 we will have to take a lot more seriously the art and the science of good governance within the Union.

Ray Kinsella,
Graduate School of Business,
University College,
Dublin, Ireland

New Zealand central bank is to be congratulated

From Mr Walter Grey

Sir, May I suggest to Mr Gerald Holtzman (Letters, December 21) that, far from castigating the independent New Zealand Reserve Bank, he should thank it for pulling the New Zealand Treasury's inflationary chestnuts out of the fire?

If that means a tighter monetary policy than would have been necessary or appropriate otherwise, whose fault is that? And how often, in a reverse case, do we hear of the opposite medicine having to be applied? New Zealand's situation is undoubtedly better than it was before the advent of the present regime, or than it would have been otherwise.

Of course, in New Zealand as elsewhere, things would be better still if monetary and fiscal policy were more closely "co-ordinated" at all times. But whereas monetary policy can be assigned to an independent authority charged with (and accountable for) maintaining price stability, fiscal policy will always be the inalienable province of the elected government of the day. Some conflict between the two in arriving at an appropriate policy mix is therefore built into the system. Nevertheless, the risk of inflationary excesses will be minimised if monetary policy, at least, is conducted by non-political hands at all stages of the electoral cycle.

Walter Grey,
12 Arden Road,
Finchley, London N3 3AN, UK

The facts concealed by a smokescreen

From Mr Keith W.D. Jago

Sir, With the festive season now upon us, it is apposite to reflect on two facts relating to health and safety in the workplace.

First, that from January 1, 1996, the full force of the European Union directives on health and safety (the "six-pack") will apply to all workplaces, existing as well as new. These requirements include, *inter alia*, that smoke-free rest areas are provided for non-smokers (regulation 25).

Second, the true cost to employers of existing smoking policies is far higher than many think. According to

per cent of a 37½-hour working week.

An enlightened smoking policy that provides smoking rooms (non-leaking, we hope) will mean that, from the workplace, a company will get only 80 per cent productive time. Assuming, say, 30 per cent of a workforce are smokers, the direct cost of this smoking time amounts to 6 per cent of the direct labour cost. So in a workforce of 1,000, the overhead for allowing smoking at work is 60 staff (1,000 x 30 per cent x 20 per cent). A daunting cost indeed - 60 staff are in effect wasted every week.

And the real cost is far higher if lost "smoke breaks" are covered by overtime working at premium rates: time x 1.5 will cost what amounts to 90 lost staff out of 1,000, not to mention the costs

of smoking rooms and ill-health among the smoking population. No smokescreen, just facts.

Health risk management is about identifying and controlling risks before they cause problems and lead to losses. Clearly, smoking at work is a problem that is already causing vast losses.

The only logical conclusion is that January 1 must become a milestone for managing smoking at work. Working and smoking must simply become mutually exclusive activities, and a policy of no smoking at work become the norm in all workplaces.

Keith W.D. Jago,
Hollingdean Community Centre,
Thompson Road,
Brighton BN1 7BH, UK

Optimism over biotech companies misplaced

From Professor N.W. Shummonds

Sir, The general tone of Daniel Green's article on biotechnologically based pharmaceutical companies ("Beyond the barriers of alchemy", December 16) was optimistic, yet:

- One of his companies rests on a single spectacular possibility not yet realised in practice;
- Another offers several interesting but essentially minor attractions;
- Another is busy getting out from under;
- Two more seem shaky;
- Yet another is clever, but...
- And there are two

investment trusts busy laying off risks. Of his experts, one is buying and holding (probably praying, too), while the other seems to distrust repeated bull markets.

I don't read this as support for biotech shares - and this is the pharmaceutical end of the market, remember.

If biotech is to pay off anywhere, it will be here, in pharmaceuticals. The agricultural end of the game looks even worse.

Indeed, the new agricultural revolution has been predicted for 15 years, as I recall, and nothing of real interest has happened yet, millions of bucks and rivers of ink later. To say this is rather like:

remarking that the emperor has no clothes - well, he hasn't.

As Fred Pearce remarked in *The Scotsman* recently, endless promises have gone unfulfilled, and the only evident product has been a lot more money for chemical companies.

Scientists are not guileless of hyping up their own baseless promises in the hope of better grants. And this I fear applies to all kinds of biotechnology, pharmaceutical and other. Perhaps the rabbits are at last coming home to roost (to coin a phrase)?

Norman Shummonds,
9 McLaren Road,
Edinburgh EH9 2BN, UK

global perspective



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The chase for fat profits

The purveyors of low-calorie cuisine and exercise bikes, all trying to persuade the consumer to remove that extra weight put on at Christmas, may soon be joined by the pharmaceutical industry. Greater knowledge of what makes people fat is encouraging drugs companies to chase the slimmer dollar.

There is no doubt about the potential market. More than half of all adults in the US and UK are estimated to be overweight. The proportion of obese people in the UK more than doubled between 1980 and 1993 to 16 per cent of women and 13 per cent of men.

The measurement is a simple one called the body-mass index. Divide your weight in kilograms by the square of your height in metres. If the result is more than 25, you are overweight; more than 30 and you are obese.

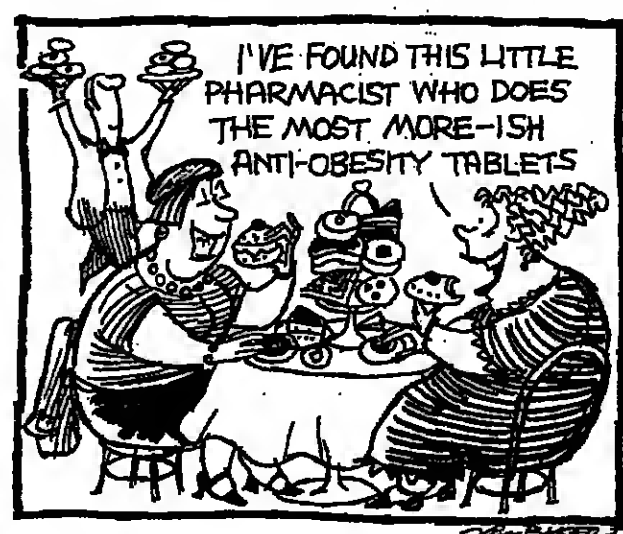
A score of more than 30 increases the risk of diabetes and gallstones, and there are links with some cancers, high blood pressure, heart disease and a range of bone, joint and skin disorders.

Not surprisingly, the fat and the not-so-fat spend plenty of money on trying to stay slim. Americans spend more than \$33bn a year on diet-related products, according to a report from Decision Resources, the US market research company. Sweetener sales alone are worth \$1bn in the US and another \$200m in Europe.

Drugs industry efforts to muscle in on the market have largely failed. Slimming drugs have had a variety of side effects and can be addictive. Obesity drugs have global sales of only about \$150m a year.

That may be about to change. Some of the industry's best known names are pouring development money into obesity. They include Switzerland's Roche, US companies Abbott Laboratories, American Home Products and Amgen, and France's Sanofi and Servier. It costs between \$200m and \$400m to take a drug all the way through the years of research and testing to market.

The pharmaceutical industry is pouring money into anti-obesity drugs, writes Daniel Green



an investment that can be justified only by substantial sales. The drugs companies' optimism is based on recent advances in the scientific understanding of obesity. Many of the causes are obvious, such as eating too much and lack of exercise. In addition low birthweight and low social class (poor people are fatter than the well-off in developed countries) are known factors.

But the most promising opening for drugs companies is the recognition that some factors are genetic. Inheritance accounts for between one-third and two-thirds of obesity, depending on which scientist is talking.

Genetics provided the biggest breakthroughs this year. The so-called "ob" gene, discovered by the Howard Hughes Medical Institute at Rockefeller University, New York, triggers the production of a protein, a hormone called leptin. Mice injected with leptin lose weight.

Amgen, the California biotechnology company, had paid

the institute \$20m for the rights to develop products based on the ob gene. When the magazine *Science* said that the treatment cut the weight of normal mice as well as fat ones, Amgen shares rose sharply and clinics preparing to test the drug were swamped with inquiries.

More potential drugs are likely to follow. Another gene associated with obesity, the "fob" gene, has been identified. And the latest issue of the magazine *Cell* publishes details of how body cells are chemically instructed to become fat cells. The authors include suggestions on how drugs might inhibit the process.

If the scientific obstacles are being overcome, however, there remains the question of regulatory approval. This has been difficult since the 1950s, when addiction and other problems arose with amphetamines, which were used in slimming pills.

Among the contentious issues is the fact that a slimming drug that is medically desirable for an obese person

may be abused by a healthy individual for cosmetic purposes. In the 1980s, Prozac, a drug that has become one of the world's best-sellers, was proposed as an appetite suppressant. It was never approved as such, partly because of concerns about abuse by over-enthusiastic slimmers.

Regulators want to be sure that any benefit from shedding weight is not outweighed by the danger of the treatment itself, something that can take many years to assess.

There are signs that regulators are warming to the idea of obesity drugs. Last month, an advisory committee to the US Food and Drug Administration recommended the first slimming pill approval in 23 years. Dextenfuramine appears to reduce appetite without causing addiction. But the committee spent two and a half years debating the drug, which is already on sale in Europe, and voted for approval only by six votes to five.

Such caution is attacked by some doctors. "Obesity has been considered a moral failing and a behavioural problem, not a real disease," says Dr Richard Atkinson of the University of Wisconsin, who has been involved in the testing of obesity drugs. "We are treating a genetically based physiological disease with psychological treatments."

The battle between the two camps is yet to be fought in earnest. It promises to be a deciding factor in whether the drugs industry conquers the slimming market. Mr Jerry Balter, chief executive of Obesity, a New York biotechnology company, says: "The main obstacles to new drugs are regulatory rather than scientific."

The risks of failure - scientific and regulatory - have been enough to put off some drugs companies from trying. The chief executive of one European drugs company that abandoned research into obesity, coincidentally lost 10kg this year. Asked how he did it, he replied: "I ate less."

صكدا من الامين

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

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A decade of privatisation

Just over a decade ago, the word "privatisation" was virtually unknown. However, the 1984 Deregulation of the British Telecom provided a watershed. Since then, the systematic sale of state enterprises has accelerated on almost every continent, culminating in the privatisation frenzy of eastern Europe and the former Soviet Union. Russia alone has sold more than 75,000 small businesses and 14,000 larger companies since 1992, creating more than 30m shareholders.

The potential economic benefits of transfer to private ownership are now widely accepted, based on the experience of countries with long-standing privatisation programmes, such as the UK and Chile. They include the development of competitive, consumer-oriented industries and the improvement of capital markets and corporate governance. For the former communist countries, the mass transfer of ownership has created something resembling a competitive market economy. For Latin American and Asian governments, the sales have helped the private sector flourish.

But privatisation has not brought popularity, politically, the sale of public assets remains controversial. However different the circumstances, objections tend to be remarkably similar: the government has sold the family silver; the heads of the new company pay themselves too much; too many employees are sacked. In many countries there is widespread scepticism as to whether the benefits of privatisation are great – or shared widely – enough to justify the surrender of state control.

A decade's experience shows that some approaches to privatisation answer these concerns and allow the benefits to be realised. Others, emphatically, do not.

Deeply tarnished
First and foremost, transparency about the allocation of shares helps, as the International Finance Corporation, the World Bank's private-sector financing arm, rightly stresses. Russian privatisation has been deeply tarnished by the way that much of the energy industry has been sold cheaply to privileged insiders.

Where an industry is capable of

competition, it also helps if this is recognised at the time of sale. The break-up of the Russian road haulage industry and the Parmesan power company Eleotrim at privatisation have helped the efficiency of those industries. In the UK, where non-nuclear power generation was sold as two companies, rather than the four or five recommended by many, subsequent regulation of prices has proved particularly troublesome.

If an industry will not support competition, regulation can do the job. But whether through competition or regulation, some of the benefits, including efficiency gains, must be returned to the public in some form if the programme is to have lasting support.

Outside capital

Above all, perhaps, it is the injection of outside capital which helps steer companies towards improvement. The IFC found in a study this autumn that outside investors and sponsors enormously improve corporate governance and management discipline. Such improvement does not automatically follow privatisation; the European Bank for Reconstruction and Development observes that in the Czech Republic, Hungary, Poland and Russia privatisation has dramatically altered ownership structures but not greatly improved corporate governance.

However, it can be hard to attract outside investment without the existence of robust legal institutions. In general, east European countries have made more progress than former Soviet ones in setting up a legal framework and enforcing it.

Most privatisations involve some compromise of these principles. The price received for the company is traded off against speed and the design of regulation. The penalties for compromising too much, however, are severe: a degree of public hostility which can jeopardise future privatisations, as in the UK, or even a whole programme of economic reform, as in Russia. The rewards for thoughtful attempts to solve these problems are that subsequent sales are easier, reach higher prices, and benefit the economy far more.

Up to a point, it is. The experience of redundancy, which used to be mainly a cyclical phenomenon affecting manual workers, now reaches high into the white-collar ranks. A symbolic pointer came earlier this year with Glaxo's takeover of Wellcome.

Glaxo, which transformed itself in 15 years from an unexciting baby-food-to-drugs concern into the world's largest producer of prescription medicines, could be regarded as the ultimate triumph of middle-class business endeavour – a repository of some of Britain's most impressive human capital. Yet it recently announced 7,500 job cuts arising from the integration of its business with Wellcome.

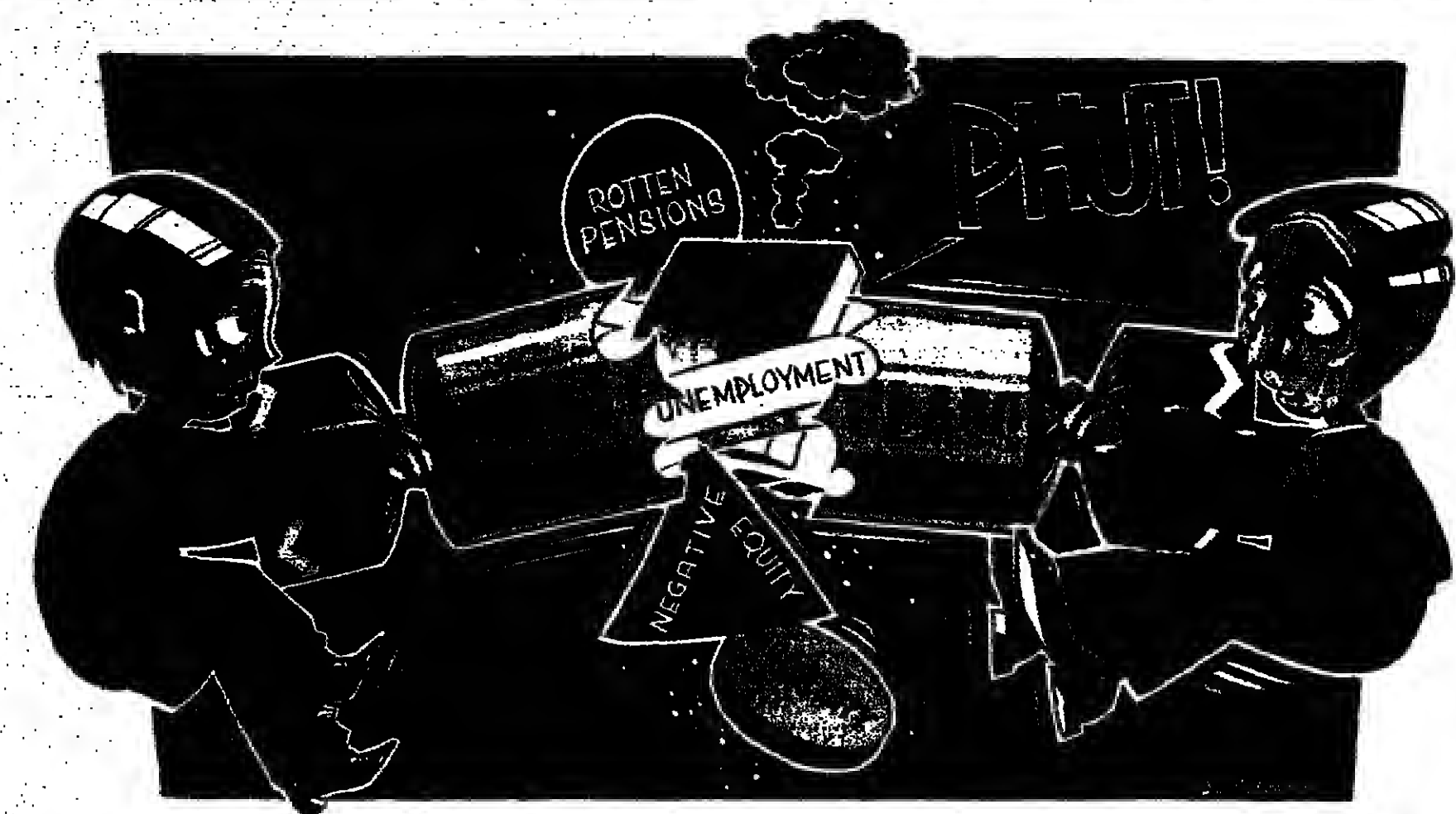
Job insecurity, it seems, attends even the most successful companies. Note, too, in passing, that job creation arising from Glaxo's astonishing growth was confined to its foreign activities. Between 1990 and 1994 the average number of UK employees actually fell from 14,816 to 12,000, while overseas jobs increased from 14,371 to 35,189.

Most of the growth in the UK labour force over the same period has come from the increasing participation of women, especially in the service sector. Here, too, conditions are changing at the middle-class end of the market. Managerial and clerical workers in retail banking have found their position eroded by the location of industry is determined not by natural resources, such as coal, but by amenities, such as music, art, theatre, dance, schools and universities. To attract economic activity, regions must offer what appeals to educated managers and technicians. Natural beauty, lively sport and high-quality leisure facilities are important to such people. So is a rich cultural life.

Centripetal tendencies
The concentration of the UK's wealth in the south-east is not just a cause of the gathering together of cultural life in the capital but also, in a vicious circle, partly a consequence. Germany, by contrast, has helped economic decentralisation by subsidising culture in all significant cities. Although the UK will never match German decentralisation, it would be economically and socially desirable for it to inch in that direction. Yet so strong are the centripetal tendencies that this is unlikely to happen without conscious effort.

How is this effort to be made? The broad answer is to develop better facilities in the provinces. It is not just a matter of building a modern infrastructure, important though that is, because business is attracted by more than new roads and bridges. It is also attracted by what makes life enjoyable. Among the more important elements are what appeals to the elites, for the simple reason that they largely determine the quantity and quality of business activity. The mistake made by the self-proclaimed anti-elitists is to condemn what appeals to such elites as being of little benefit to everyone else. This is doubly wrong, because culture can matter to anyone and because those who prefer rugby to opera benefit from the presence in their communities of those who prefer opera to rugby. But rugby can surely pay its own way, while opera cannot.

The economic future of south Wales, with its love of singing and splendid opera company, will depend more on the Queen of the Night than on moribund old king coal. There may have been sound reasons for rejecting this project. That it was undeniably elitist was not among them.



Bang go the great expectations

More than 16 years of supposedly sympathetic Conservative rule have left the UK's middle classes feeling betrayed, says John Plender

George Orwell, in *The Road to Wigan Pier*, sought to cheer downcast working-class members of the middle class by telling them that they had nothing to lose but their chains. Today such austere humour would not go down well in Middle England. Despite more than 16 years of supposedly sympathetic Tory rule, the British middle class has celebrated Christmas in a state of unusual insecurity. The question is whether this bourgeois malaise is justified.

Up to a point, it is. The experience of redundancy, which used to be mainly a cyclical phenomenon affecting manual workers, now reaches high into the white-collar ranks. A symbolic pointer came earlier this year with Glaxo's takeover of Wellcome.

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ing have worked in one of the few sectors of the economy to have shown a net increase in jobs over the past 15 years. Yet they suddenly face a painful retrenchment following takeovers such as Lloyds Bank's of the TSB Group.

Rationalisation in financial services has much further to go, because the British high street is overbanked and takeovers offer scope for economies of scale. At the same time life insurance is facing a big bang with greater transparency over costs; the resulting increased competition will cause further job losses. In corporate finance departments around the City it is rumoured that as many as 40 life companies are up for sale. Not a cheering thought for employees.

Perhaps the most striking indication of the way the wind now blows for the middle class is the state of employment prospects in Whitehall. For the past century the civil service has been a place where it was always possible, in the words of the poet Louis MacNeice, "to sit on your arse for 50 years and hang your hat on a pension".

No more. By 1998-99 the annual running cost of the civil service is projected to be £1.9bn (\$2.9bn) lower, in real terms, than in the current year. The cuts, announced by Mr Kenneth Clarke, the chancellor, in his Budget last month, are to finance pre-electoral tax reductions designed, no doubt, to appeal to the rest of the middle classes.

In Britain, unlike the US, unemployment still carries a stigma. And unlike continental Europe, Britain relies on takeovers to make structural adjustments to the economy – an unpleasantly rough-and-tumble experience for employees.

Yet for all that, the middle-class experience of redundancy, which can include counselling, retraining and attractive pay-offs, is nothing like as harsh as it is for people lower down the scale, whose

employment opportunities have been declining more. The penalties for the least skilled, both young and old, in losing a job are very severe.

In 1992, according to Paul Gregg and Jonathan Wadsworth in the spring edition of the *Oxford Review of Economic Policy*, only 20 per cent of jobs filled by those out of work were full-time. Typically, jobs for people coming back into the workforce offer only half the wages of all jobs – and real wages for such jobs did not rise between 1979 and 1989. While widespread unemployment is a shocking novelty for the middle classes, the experience is more devastating for the low-skilled.

What, then, of the insecurities induced by the housing market? This is a related phenomenon, since the centralisation of the labour market reduces the level of confidence among potential buyers while making lenders more cautious.

There is also a paradox, in that successive Tory administrations had expected an increase in home ownership to spread middle-class aspirations and give people a more secure stake in society. Yet in many cases it has merely saddled buyers with substantial debt.

The concern over a fall of about 12 per cent in average house prices since 1989 is nonetheless overdue. The 2m or so whose mortgage debt exceeds the probable value of their homes are not a large proportion of households. Mortgage interest rates are now at their lowest level, at least in nominal terms, for decades. More important, in the present context, is that this is scarcely a middle-class problem at all.

As Rob Thomas of UBS, the stockbroker, has pointed out, the pain is heavily concentrated in poorer neighbourhoods. It is also concentrated in the bottom end of the market: studio flats, one-bedroom flats

and former council houses. These were in the most heavily borrowed segment of the market in the 1980s, attracting first-time buyers. The borrowers are now afflicted with negative equity, low liquidity and – particularly working-class mortgages – arrears.

This is of some political importance. For those whose aspirations towards middle-class status have been knocked on the head are precisely the upwardly mobile ones on whom the Conservatives relied in 1979 and subsequent elections to turn the electoral tide. They have now been immobilised in their own homes, or unceremoniously returned to the rented sector via repossession. So this is a case of the working class being put back in its place, admittedly unintentionally, by the Tories. It is no cause for middle-class angst.

Perhaps the larger problem is simply one of frustrated expectations. Much of the growth in the present economic upturn has gone into cutting government borrowing and raising corporate profits. At a more fundamental level, the welfare state is failing to deliver either the degree of choice or quality, in such services as healthcare and education, that the middle classes want.

As Lord Skidelsky, the political economist, argues in the latest issue of *Prospect* magazine, the explosion of welfare payments to people who make no contribution to their cost is "crowding out" earlier commitments to provide universal services that taxpayers can enjoy. The majority, including the middle classes, ends up feeling that it is not getting value for its money.

The frustrated expectations syndrome is particularly intense over the care of the elderly. Having been promised by Mr John Major, the prime minister, that wealth would "cascade down the generations", the children of aged parents are shocked to see homes

sold to pay for residential care. Palliatives in the Budget look insufficient to remedy the discontent.

Perhaps none of this would have affected the middle-class psyche so deeply if people had more control over their own wealth. Yet the standard occupational pension scheme, often described as the middle-class person's second-biggest asset after the home, is not an asset at all. It is a mere promise of a pension, offering no direct ownership rights or effective participation.

Such disembodied capitalism leaves many feeling disenfranchised. That feeling is reinforced when the lion's share of pension fund surpluses goes into reducing company pension contributions, while smaller sums have been used to improve benefits.

Hence the suspicion, which emerged so clearly during the boardroom pay row at British Gas, that the government has created a country fit for bosses, but not the bourgeoisie. There is anger that, while jobs are being lost, directors' pay invariably increases faster than that of the workforce. And the directors also have the means to bump up their own pensions, usually at the expense of shareholders.

This is not a form of enterprise culture to which the middle classes will be readily reconciled. For while it is good to see businesspeople finally being paid as much as lawyers and pop stars, it is less attractive when the links between performance and reward are so tenuous.

Whether the combined efforts of the barons of industry and finance on the Greenbury and Cadbury committees can neutralise the boardroom pay issue before the next election remains to be seen. The middle classes, already in a prickly state, have been neither prepared, nor squared. They may, along with working-class homeowners, wish to extract a price for the neglect of their discontents.

TECHNOLOGY: The information superhighway

Like a double-decker bus in a country lane

Online services are still too slow – but greater speed is coming, says Paul Taylor

As the Internet at Christmas this year, the world has seen one of the new generation of multimedia computers, complete with CD-ROM drive, stereo sound and graphics that connects the PC to the telephone network.

With almost 1.5m computers in use, the Internet is the fastest-growing area of the Internet – the informal global network of computers. They join the rapidly growing population of between 50m and 100m people worldwide who already have access to the information superhighway.

Most will be astonished at the variety of information and services available. The World Wide Web – the highest-growing and most easily mastered area of the Internet – provides access to perhaps 30m pages of text and graphics on almost every conceivable subject.

Services available online include problem-solving advice on how to fix a car, weather forecasts, airline schedules, home shopping

and games. Users can send electronic mail or join in Internet news discussion groups or in the "chat rooms" and forums organised by services such as CompuServe or America Online. For relaxation, they can play computer games such as Doom, Mortal Kombat and Streetfighter against other users.

But they will quickly find that travelling the information superhighway is more like trying to navigate a double-decker bus down a single-track country lane than racing along in the computer equivalent of a Porsche.

Most multimedia PCs are sold with modems that handle 14,400 bits per second (bps), although the latest models now offer twice that. Faster modems may be built, but technicians believe the limit is about 24,000bps.

Even the fastest modems can take almost 10 minutes to download a complex image. This means most games lack animation and sound, and there can be long delays while pages load.



form through the Internet. Downloading a 50-minute rock album still takes over an hour.

Three innovations in the next few years could help overcome such problems: greater use of data compression to transmit data faster over the telephone network; faster modems and transmission devices; and wider electronic pathways with more capacity to carry digital information.

The first significant step-up in speed will come with the more widespread use of Integrated Services Digital Network (ISDN) services. ISDN enables data to be

transmitted much more quickly over existing ordinary copper telephone lines, but requires special equipment in the telephone exchange and the customer's home.

ISDN can be installed on request by most telephone network operators, but most have not promoted it aggressively. In places such as California and Germany, where local telephone operators have offered low installation prices, the number of ISDN lines is growing rapidly. In Germany the number of ISDN lines jumped from fewer than 100,000 in 1990 to almost 1.5m last year.

Consumer demand has been much more subdued in countries such as the UK, where British Telecommunications charges \$400 for an ISDN connection and markets the service almost exclusively to the business user.

The second innovation designed to increase speed will be cable modems or cable ports, which can deliver much greater amounts of information using their existing cable networks. These are now under test by many US and European cable operators. They would allow interactive services such as one-to-one video-conferencing, or viewing a video of a prospective holiday location.

Intel, Motorola and Hewlett-Packard have all developed cable modems aimed at this emerging market. In the US there are reports of waiting lists for the new equipment, with consumers

refusing to hand back their cable modems at the end of trials.

However, even cable modems are unlikely to deliver true "broadband" services such as video-on-demand because total line capacity is shared between users. That means that if lots of people decide to go online simultaneously, transmission speeds will slow dramatically.

The technology is ideal for delivering short video sequences of two or three minutes, says Mr Jens Bodenkamp of Intel. He suggests it will be ideal for services such as travel agents wanting to show holiday clips.

Wider pathways, the third innovation for raising speed, require the replacement of existing cable networks with very high-capacity optical fibre systems. At present, many cable and telephone companies use an optical fibre basis for the spine of their networks, but rely on older, lower-capacity wiring for the final connections to homes and offices.

The superhighway of the future is likely to be built using optical fibre throughout, while new technologies to exploit the higher capacity are beginning to emerge.

We are still, therefore, some years off what one commentator describes as a "network nirvana", when feature-length films and three-dimensional games are available online and on demand. But the technology is moving inexorably in that direction.

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making

eral relations between governments when and the music and will between ministers and to leadership.

EU level, this kind of tent drama simply serves to determine the proper and advised credibility to point it. Post-1995 we have to take a lot more easily the art and the one of great governance into the Union.

Kinsella, School of Business, University College, Dublin, Ireland.

okescreen

smoking rooms and health among the smoking population. No smokers are in the.

Health risk management and identifying and controlling risks before the use problems and lead to. Clearly, smoking at work is a problem that is not only causing lost time, but also a legal liability. The only logical conclusion that January 1 must become a no-smoking day for managing at work. Working conditions must simply become a reality of no smoking a work day, as the norm in all companies.

with W. H. Jago, Thompson Community Centre, Thompson Road, Brighton BN1 7BL, UK.

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ment that the paper will be.

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FINANCIAL TIMES

Wednesday December 27 1995

FRUEHAUF
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MAGAZINE

Give them Acapulco every time

Sitting in a roadside cafe on the outskirts of Mexico City, drinking tequila to ward off the winter cold, Mexican truckers were swapping anecdotes about the highway police and the prices paid for the absolute of a faulty rig.

José Angel Ibañez was not fussed that the US government is standing in the path of Mexican trucks, which were due this month to have unlimited access to the US and Canada under the North American Free Trade Agreement.

"In the US," Mr Ibañez explained, "your truck has to be in perfect condition or you are pulled off the road. In Mexico, you can bribe your way out of any problem: threadbare tyres, no seat belts, broken bolts. Twenty pesos is enough to keep the highway police happy."

In delaying the opening of the road haulage market, Mr Federico Peña, the US transport secretary, argued that Mexican trucks did not meet US road safety and environmental standards. His decision means the operations of Mexican trucks would remain limited to a narrow zone across the 2,000-mile border.

Although the US decision drew a formal complaint from the Mexican government, there was hardly a murmur of protest from Mexican transport companies. "I don't know of a single Mexican

Tough US safety standards and union demands mean Mexican truck drivers are unlikely to get their kicks on route 66, writes Leslie Crawford

trucking company which wants to open branches in the US right now," says Mr Pablo Seefo, manager of Yellow Freight Mexicana, a subsidiary of Yellow Freight Systems in the US.

"Can you imagine what it would cost? For a start, the Teamsters are paid in dollars, and by the hour. I pay my drivers in pesos, and by the job lot. I would have to bring my trucks up to US standards. Then there is the cost of setting up a US network, with proper maintenance facilities, warehouses, terminals. It really is beyond the means of Mexico's transport industry."

So, instead of having the freedom to roam between the Yukon and the Yucatán, Mr Seefo believes Mexican transport companies will continue to deposit their cargo at the US border, where it is picked up by their US counterparts.

The handover system has led to huge traffic jams at the main crossing points between Ciudad Juárez and El Paso, Texas, and between Nuevo Laredo and Laredo, further east. The border towns have been unable to cope with the surge in activity since

Mexico joined Nafta in January 1994. More than 80 per cent of Mexico's \$100bn trade with the US is carried overland, and in the past two years Mexico's exports to the US have grown by more than 50 per cent.

US inspectors believe that allowing Mexican trucks into the US will cause even longer delays at border crossings, because of the need for drug searches and safety checks.

Mexican truck drivers say venturing further north is not worth the hassle. Even if they were allowed to drive their trucks to Alaska, Nafta would not give them the labour rights enjoyed by US transport union members.

Mr Ibañez has driven an oil truck in the US, and did not enjoy the experience. The Teamsters, he says, did not welcome his presence on US roads. Food was expensive, and the highway police would not let him sleep in his truck - a 45-foot Canadian giant bedecked with images of the Virgin of Guadalupe and less virtuous women.

"The Teamsters work eight-

hour days," says Mr Ibañez, who has spent the past 19 years on the road. "In Mexico, I have driven 20 hours without a break to meet delivery schedules. We get paid by the trip. It doesn't pay to stick around."

North of the border, meanwhile, the Teamsters' union has lodged a lawsuit to delay Nafta's trucking provisions indefinitely. "The real solution is to have American trucking done by American workers with American safety standards and American wages," says Mr Ron Carey, the Teamsters' general president.

The Teamsters' hostility is one reason why Mexican truckers would rather leave US roads to the Americans and their unbending laws.

"There's too much racial discrimination in the US," says Mr Cruz Mendoza, a 23-year-old who drives a six-axle trailer. "Why should I go to suffer there?"

If Mr Mendoza has his way, he will continue to cruise down the Acapulco Highway, salsa on the radio, with a tequila bottle and, he says, a girlfriend waiting for him at each roadside cafe.

THE LEX COLUMN

Privatisation pitfalls

The more popular privatisation has become among hard-up governments, the less appealing it seems to be for investors. The attempt to replicate the UK model throughout Europe has been only partially successful. Many of this year's deals have performed poorly, while others have been cancelled, cut, or postponed. The result is a logjam: of the long list of deals slated for 1996, not all will see the light of day.

There was always a danger that European privatisation would run into difficulty. In the early years, large UK privatisations took centre-stage in the nascent international equities market. Now, privatisation offerings from all over Europe compete for investors' attention, along with private sector deals and emerging market transactions.

Flotations of private, often family-held, companies in continental Europe - such as the German pharmaceuticals company Merck this year - are becoming a feature.

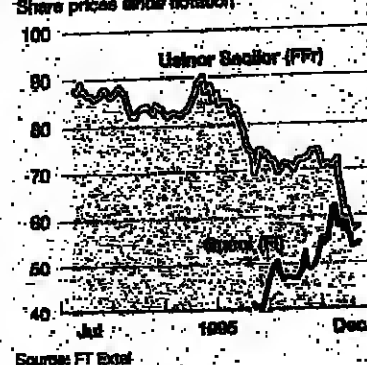
There is also a quality issue: the prospects for many European privatisation stocks are less than rosy. While shareholders reaped the post-privatisation efficiency gains at badly-run British state-owned companies, social legislation in continental European companies makes the restructuring of over-stuffed state industries difficult.

The paper overhang has been exacerbated by a concentration of deals in particular sectors, most notably telecoms. Next year will bring the second largest privatisation offering ever, from Deutsche Telekom. Because of the importance of the company within the German economy, the stock will be a must for some international investors. But France, Italy, Israel and Turkey are all planning telecoms deals. As last month's botched offering for Indonesia Telekom showed, investors faced with an *embarras de richesses* can get picky.

But overcapacity is a symptom rather than the cause of the privatisation bottleneck. The main cause is the lack of a strong equity investor base. Without a hard core of demand, large deals rely on international investors - basically British and American fund managers. Privatisation ran into problems this year because of, rather than despite, the bull market conditions in the US and UK markets: with investors loath to miss out on the domestic market bonanza, the flow of funds into international markets dried up. This could change in 1996, as low interest rates and a peak in the US earnings cycle drives a search for growth. The result

Recent offerings

Share prices since flotation



Sources: FT Stock

may well be a return to favour of emerging market deals.

Low domestic participation is harder to remedy, since the creation of a pension fund industry is an extremely slow process. Still, more could be done to foster retail demand. The partly-paid structure used by the UK government, for example, has been largely eschewed by European governments. Still, those countries such as Spain which have worked hard at establishing domestic retail distribution will reap the rewards. Countries such as France, where offerings have performed directly in the secondary market, will find it extremely difficult to get deals done in the coming year. Privatisation is no longer a magic word. Despite a potential inflow of US funds, it could be a dirty word by the end of the year if deals are not priced cheaply and structured sensibly.

Mergers and acquisitions

It has been a vintage year for mergers and acquisitions, with record levels of deals on both sides of the Atlantic. But despite the flow of mega-deals, the overriding atmosphere has been one of corporate sobriety, a long way from the war cries of the corporate raiders in the late 1980s. And conditions look favourable for a further growth in M&A activity this year.

Year-end cuts in interest rates have reduced funding costs; they also make discounted cash flow valuations look more attractive. Corporate cash-flow is growing fast, while banks are awash with cash for corporate loans. The conditions which sparked much of this year's activity - a push to reduce costs through consolidation in order to compete in a low-growth, low-inflation environment - are set to continue. In the UK, the threat of a less laissez

Asian businessmen plan bank in UK

Proposal aimed at commercial investors and new opportunities in India

By Khozem Merchant

The Bank of England has received proposals for a London-based Asian Bank backed by some of Britain's most successful Asian businessmen.

The move represents the first serious and large-scale foray by UK Asians into the UK financial services sector. "It is very preliminary at this stage; there's a long way to go," said a Bank of England spokesman.

The Hinduja brothers, one of Britain's wealthiest Asian families, have emerged as the driving force behind the venture. They

have teamed up with some of Britain's most successful Asian businessmen to launch the bank, aimed at tapping the potential of the UK's Asian commercial classes and opportunities in the liberalising Indian economy.

Detailed studies on a business plan and the bank's capitalisation have been under way for some weeks. A formal application for a banking licence is likely to be submitted to the Bank of England early next year.

The Asian British Business Community, a coalition of Asian interests drawn from UK industry, retailing and the distribu-

tive trades, was formed last autumn to oversee the creation of the bank.

The proposed Asian British Bank would "seek to provide what is missing [in UK financial services] to the Asian community," an ABCB member said. "An experienced British banker, familiar with the Asian culture" was due to take up a full-time post with the ABCB on January 1 to oversee the bank's creation.

The ABCB's leading backers include Mr Gopi Hinduja and Mr Srichand Hinduja, the London-based brothers who head a family empire with interests in

India, the Middle East and Europe. Last year, the family launched Bombay-based Indusind Bank, India's first privately owned bank since economic reforms started in 1991. They also launched Amas, a bank based in Switzerland.

It is planned that the new UK institution would seek a listing on the London stock exchange, with between 40 per cent and 45 per cent of the equity "preferably" being taken up by UK institutional investors. The ABCB said, adding that the "small Asian investor would be equally welcome".

Exxon to start Algeria talks

Continued from Page 1

compete for a share of the German gas market, the largest in Europe, is relying on foreign companies to help finance ambitious expansion plans.

Algeria is particularly keen to attract US and British oil groups to the country, where Italian and French companies have been most active in the past.

Government officials hope the BP deal will prompt other western oil companies to overcome their concerns about the security situation in Algeria.

Although industry analysts said the conclusion of an agreement with BP after five years of negotiations should have a positive impact on sentiment, the signing ceremony at Hassi Mas-

soud, Algeria's southern oil centre, highlighted the difficulties foreign companies face in operating in the country.

Heavily sandbagged army positions complete with machine-gun posts blocked entrances to the town, where most foreigners live within fortified compounds. Dozens of army commandos and other security officials were on hand to escort the BP delegation, which fled flown in direct from London. BP officials, however, were confident that the security situation was "manageable".

Confidential portions of the contract include provisions to allow other companies with projects around in Salah to use the pipeline that BP intends to build to link the area to Algeria's main gas export network to Europe.

Tokyo to tighten rules

Continued from Page 1

risk management systems at three of the New York branches of leading Japanese banks, though officials declined to identify them. They said inspections of other banks' New York operations would be completed by the spring next year.

The central bank also said it was widening the scope of its regular examinations of overseas branches. It conducts detailed triennial inspections of banks' New York and London branches but they will now be extended to cover Hong Kong.

The announcement came at the end of a dismal year for Japanese banks. A succession of financial collapses at smaller institutions was largely the result of the

banks' reckless lending in the bubble years of the late 1980s.

But the larger banks also had problems - resulting in the accumulation of at least ¥40,000bn (\$400bn) in non-performing loans on their balance sheets. Last week the government was forced to announce plans to spend ¥65bn of public funds to help some of the weaker institutions.

In September, Daiwa Bank, one of the country's largest, revealed losses of more than \$1.1bn in its New York branch over 11 years.

In November, Daiwa was expelled from the US by the Federal Reserve, and indicted on charges of fraud. Mr Takemura said the finance ministry should take responsibility for some of the problems because of the failure of its checking mechanisms.

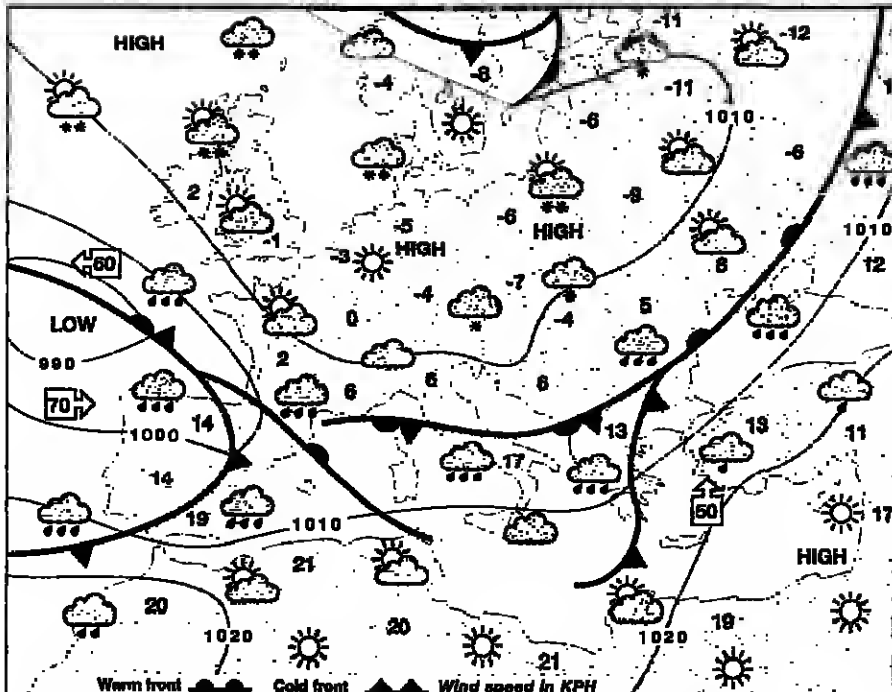
FT WEATHER GUIDE

Europe today

Very cold air will persist over Scandinavia. Wintry showers will move south along the coasts of southern Norway, Denmark and Scotland. Further inland, sunny spells will occur with afternoon temperatures from 5C to 10C. The Low Countries, northern France and northern Germany will be settled and rather sunny but will also have freezing conditions. Cloud will linger from Bavaria to Poland giving a few snow flurries. Southern France will become cloudier with rain arriving from the south-west. The Atlantic coasts of Portugal and Spain will have very heavy rain but the Mediterranean coasts will stay mild and dry. Much of central and southern Italy will have showers and even some thunder. Torrential rain is expected over much of the former Yugoslavia.

Five-day forecast

Wintry air over northern and central Europe will continuously interact with mild and moist air from the Mediterranean countries. As a result, Spain, southern France, Italy and the Balkans will be very unsettled. Elsewhere, it will remain wintry with patches of snow.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum	Minimum		Maximum	Minimum		Maximum	Minimum		Maximum	Minimum
Abu Dhabi	sun 22	18	Beijing	fair -3	-7	Caracas	sun 31	18	Frankfurt	rain 18	11
Accra	sun 32	22	Belgrade	rain 7	3	Casablanca	sun 20	10	Geneva	fair 3	0
Algiers	fair 22	18	Berlin	rain -3	-7	Chicago	sun 17	10	Gibraltar	rain 17	10
Amsterdam	fair 11	8	Bogota	show 18	15	Cologne	fair 2	-2	Hamburg	cloudy -4	-8
Athens	cloudy 18	15	Bombay	fair 31	24	Dakar	sun 27	21	Helsinki	cloudy -6	-10
Atlanta	sun 10	5	Buenos Aires	fair -2	-6	Dallas	fair 11	4	Hong Kong	fair 22	15
B. Aires	sun 29	25	Budapest	show 18	15	Dubai	sun 22	15	Honolulu	sun 22	15
Buenos Aires	sun 29	25	Cairo	fair 19	15	Dublin	fair 2	-2	Imbabi	fair 16	10
Bangkok	sun 30	24	Cape Town	sun 19	15	Edinburgh	rain 1	-1	Jakarta	show 31	24
Barcelona	show 14	10							Jersey	fair 4	1
									Karachi	sun 26	18
									Kuwait	sun 18	10
									Madrid	rain 11	4
									Manila	rain 18	11
									Moscow	fair 1	-3
									Mumbai	rain 28	21
									Nairobi	sun 26	18
									Paris	rain 11	4
									Rangoon	sun 31	24
									Rio	rain 16	10
									Rome	show 16	10
									S. Francisco	sun 13	8
									Singapore	show 20	15
									Stockholm	fair -10	-14
									Strasbourg	cloudy 0	-4
									Sydney	rain 29	22
									Taipei	rain 16	10
									Tel Aviv	sun 20	15
									Tokyo	sun 18	11
									Toronto	snow -7	-11

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COMPANIES AND FINANCE

N&P to check accuracy of membership

By Alison Smith, Investment Correspondent

National & Provincial Building Society, the UK's seventh largest, is to write to 750,000 of its members next month to check that they are not eligible to vote on the £1.35bn takeover offer from Abbey National.

Members ineligible to vote are either under 18 or had less than £100 in an investment account last April. Eligible members will have a chance to approve the deal next April.

N&P's move to check the accuracy of its membership lists is a further step towards ensuring that the recommended bid goes ahead smoothly.

The two organisations are already preparing integration of their operations. Mr Bob Knighton, Abbey's director of operations, said the aim was for a clear and complete transfer of the branch networks and the arrangements for savers on to the Abbey systems from the first day - the deal is due to take effect in the summer.

About 120 branches are due to close - some on the first day - leaving a network of 880. Abbey has said there will be no compulsory redundancies among branch staff.

It has also become clear that in the interests of integrating the businesses quickly, N&P's management structure will be

fitted into the Abbey's model, and its brand and logo will disappear. "We might find a use for the bee at some point in the future," was the most Mr Knighton would say about the survival prospects for N&P's logo.

There will not be immediate harmonisation of arrangements for N&P borrowers, however.

Mr Alistair Lyons, N&P chief executive, said it had not yet been decided whether, on completion of the deal, N&P mortgage holders should pay the rates paid by Abbey's existing borrowers.

Unless there are further rate cuts in the new year, Abbey's existing borrowers will be paying variable rates from 7.44 per cent to 7.54 per cent, with the lower rates available to those with larger loans. All of N&P's borrowers on the standard variable rate will be paying 7.54 per cent.

Abbey is also to press ahead with launching its own credit card in February. Instead of waiting simply to adopt N&P's credit card in the summer, the Abbey card will have different terms and conditions from those available from N&P, and will not necessarily include all the N&P features. However, ex-N&P customers who lose their cards will be able to replace them with ones still carrying the extra features.

ASH obtains more time to repay loans

By Geoff Dyer

Automated Security (Holdings), the heavily indebted electronic security systems company, has won further financial breathing space by extending the maturity on \$55m of short-term loans.

The loans, due to expire in April 1996, have been extended to January 1996. In addition, the group has arranged with The Prudential Insurance Company of America that its \$60.7m senior loan notes be treated on the same basis.

Mr Tony Dignum, chief executive, said: "These new arrangements give us two clear years to sort out our complicated balance sheet." Including the group's £45m convertible capital bonds, ASH had gear-

ing approaching 500 per cent. Analysts believe ASH has three options to bring the group greater financial stability. It could try to raise new equity, it could sell more assets, notably its operations in the US or it could encourage a bid for the whole company.

In November it sold the Modern Integrated Systems business, which provides maintenance for security systems, for £2.35m to Argus Alarms and in October Modern Vitalcall, which manufactures personal alarms, was bought by Tunistall Group for a net consideration of £1.8m.

In the UK, Modern Security Systems and Telecom Security are being integrated with Mr Dignum said would generate cost savings of over £1m.

Yorkshire confirms Sir Gordon retirement

By Christopher Price

Yorkshire Water yesterday confirmed the retirement of chairman Sir Gordon Jones within the next six months, but denied it was a result of controversy surrounding the privatised water utility.

The company said his retirement had been signalled at the AGM in July. In February 1997, he will be 70, the age at which all Yorkshire directors must retire.

Yorkshire has received criticism from government ministers and consumer groups during the summer as the future surrounding executive pay became embroiled with difficulties with water supplies during the drought.

The company said an agency had been appointed to search for a successor, but refused to comment further. Sir Gordon, who has been chairman since 1983 and earned £189,000 last year, is likely to step down at the next annual meeting.

Earlier this month, Yorkshire announced the appointment of Mr Kevin Bond, chief executive of the National Rivers Authority, as managing director of its main water operations business. In a move seen by some as an attempt to bolster its image.

Kept hanging around, now up for sale

That most unfashionable of wardrobe items, the coat hanger, is coming out of the closet.

After years in the shadows of the glamorous world of fashion, hangers were thrust into the limelight last month when Ferguson International, the diversified UK manufacturer, said it wanted to sell its plastic hanger division.

The company blamed "substantial changes" in the market for its decision to leave the business after 12 years.

These included large increases in the recycling and re-using of hangers, and the growing dominance of metal-framed hangers over their plastic counterparts.

Mr Ronald Irving, managing director of Ferguson, also blames a change in retailing patterns in the group's main markets of the UK, the Netherlands and Germany.

"People are shopping in larger retail formats and consequently hangers are being used more for transport than display."

He adds that the consequent decline in small clothes shops in those three markets had also reduced demand for the plastic hanger.

The market was stronger, however, in countries such as France and Italy, which still have large numbers of small fashion shops using a variety of plastic hangers for display.

"The small retailer is intent on differentiating products and wants that specialisation in his

Christopher Price explains why Ferguson has decided to sell its plastic coat hanger division



hanger," Mr Irving says. "Unfortunately, the number of small retailers in our main markets is declining." Rising raw material prices were also affecting margins.

Ferguson is the largest manufacturer in the UK and Dutch hanger markets, which are otherwise fragmented. Most manu-

facturers, of both the plastic and metal varieties, are involved in the business as a sideline.

Ferguson's hanger division, which has factories in the UK, the Netherlands and the US, saw operating profits fall 16 per cent to £1.8m on sales of £26.2m for the six months to

September 31.

Last year, profits declined 10 per cent to £2.8m. Then, Mr Denis Cassidy, chairman, complained of being squeezed by the large retail chains, themselves under pressure from discount consumer demand.

Detailers, while admitting to using more wire hangers, say

that plastic ones still play an important role.

Mr David Bryant, joint managing director of Johnson Group Cleaners, says the dry cleaning group is changing from wire hangers to bright yellow plastic ones in a 20m revamp of its 650 outlets.

"We want to differentiate ourselves and believe hangers are one way to do it. They are our contact with our customers."

Johnson, which uses some 20m hangers a year, will attempt to offset the increased cost of plastic hangers - 5p each against 14p for wire one - by encouraging customers to return them.

They will donate 5p to the NSPCC for every one handed back.

Plastic hangers are also in demand at Burberry's, the luxury goods store. A recent variety retailing at £9.50, is its sixth largest-selling item (closely behind Burberry's check dog coat).

The company has sold "thousands and thousands" of the sweet-smelling hangers and said demand for the ordinary variety was also strong. "We do not see a trend away from plastic hangers at all, quite the reverse."

Such a positive verdict on the future of the industry will hearten Ferguson, which last week was able to report some interest from buyers for its coat hanger business, but still no sale.

Offer gives Hartons £6.3m tag

Schuttersveld, the European plastics distributor, is making a mandatory offer for Hartons Group following the result of its open offer.

The 84p a share offer values the plastic products distributor at £6.3m.

The open offer followed a previous fund raising attempt which would have resulted in 51 and 71 per cent of Hartons.

In November it sold the Modern Integrated Systems business, which provides maintenance for security systems, for £2.35m to Argus Alarms and in October Modern Vitalcall, which manufactures personal alarms, was bought by Tunistall Group for a net consideration of £1.8m.

In the UK, Modern Security Systems and Telecom Security are being integrated with Mr Dignum said would generate cost savings of over £1m.

offer by Abbot Group, describing the bid as "unacceptable", and has urged shareholders to take no action.

The board of OIS, advised by Bessons Gregory, believed the offer did "not reflect the potential of OIS and does not represent full value for OIS shareholders".

Raglan buy-back

Raglan Properties is to convene an extraordinary general meeting in January to seek revised authority to purchase its own shares.

Friday's closing share price of 20p is at a near-50 per cent discount to the net asset value of 35p. The directors said this "fundamentally undervalues" the company and did not reflect its financial position and prospects.

Tribune Newspapers

Tribune Newspapers, the Dublin-based printer and publisher, reported increased losses of £12.37m (£2.45m) pre-tax in the year to June 30, against £1.56m.

The company, which is quoted on the Dublin exchange, said the record loss was the result of static advertising and lower circulation revenue. Substantial cost cutting was undertaken towards the end of the year and, although the figures had improved, profits were still "some time away".

Turnover was £56.24m (£56.54m). Losses per share were 82p (£3.95p).

Cairn Energy

Cairn Energy has placed 4.38m new ordinary shares at 112 1/2p each, representing 5 per cent of its issued capital. Mr Bill Clark, chief executive, said the proceeds would mainly be used for appraisal and development programmes in Bangladesh, China, the Netherlands, the US and the UK.

Neilson Cobbold

Neilson Cobbold, the stock-broker and investment management company which joined the AIM on October 2, reported pre-tax profits of £884,749 for the year to

September 30.

The outcome compared with profits of £1.65m in the previous 50 week period and came on turnover of £3.47m (£3.82m).

Earnings per share emerged at 20p, down from 40.7p restated for a subdivision.

Headlam disposal

Headlam Group, the floorcoverings and fabric distribution company, has sold its Aquatex Functional Fabrics offshoot to Forvar, the microprocessor synthetic materials group, for £2.35m cash.

Feedback slips

Feedback, the USM-traded electronic and electrical equipment group, nearly doubled pre-tax losses from \$374,400 to \$679,000 in the six months to September 30, as the costs of a shake-up took their toll.

Turnover was static at \$4.12m, and losses per share increased from 3.87p to 6.1p. There is no dividend (0.5p).

The company said costs associated with initiatives to create interest in the product "have been a heavy burden".

River Plate directors alter recommendation regarding Jupiter bid

By Roger Taylor

Independent directors of River Plate & General Investment Trust have changed their recommendations to shareholders regarding the bid from Jupiter Asset Management because they believe that Jupiter is likely to reduce the dividend on River Plate shares.

Earlier, which manages River Plate, is bidding for the trust with shares in its new Jupiter Split Trust or a cash alternative.

Last week the bid went unconditional after Jupiter received acceptances from more than 60 per cent of shareholders.

River Plate is due to be wound up next October, but is expected to continue as a subsidiary of Jupiter Split until then.

The independent directors

first advised holders of income and capital shares to reject the bid.

But in the light of the possible dividend cut, they have withdrawn that recommendation and advised shareholders to review the position.

Brokers were surprised at the announcement. SBC Warburg said: "We find it strange that the likelihood of a dividend cut was not signalled far more clearly in the offer document."

Jupiter said yesterday: "River Plate shareholders should expect changes to the trust's portfolio to fit in with Jupiter Split's requirements. This could mean that next year's dividend will be cut."

In their statement, the independent directors also said it was likely that Jupiter would "wish to consider replacing them".

COMMODITIES PRICES

■ HIGH GRADE COPPER (COMEX)

	Sett	Day's	High	Low	Vol	Open
Dec	129.45	-0.05	129.80	129.00	470	129.40
Jan	127.70	-0.05	127.70	127.00	127	127.40
Feb	124.85	-0.30	124.80	124.30	2	124.80
Mar	122.10	-0.10	122.10	121.30	2,128	122.30
Apr	120.50	-0.20	120.50	120.25	5	120.50
May	118.00	-0.30	118.00	117.50	94	118.00
Total					2,912	35,992

■ GOLD COMEX (100 Troy oz; \$/troy oz)

	Sett	Day's	High	Low	Vol	Open
Dec	387.5	+0.5	388.8	386.0	29	387.5
Jan	388.5	+0.4	389.8	386.5	4,238	388.5
Feb	390.4	+0.4	391.0	389.1	47	390.4
Mar	392.4	+0.4	392.7	390.3	11	392.4
Apr	394.4	+0.4	-	-	20	394.4
May	396.5	+0.4	-	-	330	396.5
Total					4,330	141,688

■ PLATINUM NYMEX (50 Troy oz; \$/troy oz)

	Sett	Day's	High	Low	Vol	Open
Jan	408.7	+1.8	408.8	406.9	833	408.7
Feb	409.2	+1.3	409.5	407.5	728	409.2
Mar	410.7	+1.2	-	-	5	410.7
Apr	412.2	+1.0	-	-	10	412.2
May	413.8	+1.0	-	-	1	413.8
Total					1,377	19,633

■ PALLADIUM NYMEX (100 Troy oz; \$/troy oz)

	Sett	Day's	High	Low	Vol	Open
Dec	133.00	+1.18	133.20	132.00	8	133.00
Jan	133.50	-	133.75	133.00	102	133.50
Feb	135.00	-	-	-	170	135.00
Total					180	6,107

■ SILVER COMEX (5,000 Troy oz; \$/troy oz)

	Sett	Day's	High	Low	Vol	Open
Dec	514.1	+0.7	514.0	512.5	14	514.1
Jan	514.4	+0.5	514.0	514.0	5	514.4
Feb	515.5	+0.5	522.8	515.0	3,402	515.5
Mar	524.2	+0.5	527.0	524.0	40	524.2
Apr	528.6	+0.5	531.0	527.5	54	528.6
May	533.0	+0.5	534.5	530.0	2	533.0
Total					3,529	55,227

■ CRUDE OIL NYMEX (42,000 US gals; \$/bbl)

	Sett	Day's	High	Low	Vol	Open
Jan	19.12	-	-	-	32,951	10,532
Feb	18.57	-0.02	18.63	18.50	40,101	18,488
Mar	18.81	-0.04	18.96	18.57	13,387	18,177
Apr	18.33	-0.07	18.45	18.27	6,289	18,251
May	18.11	-0.08	18.26	18.08	2,653	18,088
Jun	17.53	-0.08	18.05	17.58	3,403	18,046
Total					52,223	245,288

■ HEATING OIL NYMEX (42,000 US gals; \$/bbl)

	Sett	Day's	High	Low	Vol	Open
Jan	59.30	+0.67	59.55	59.05	22,881	42,851
Feb	58.49	+0.57	58.45	58.35	12,393	45,105
Mar	58.34	+0.24	58.35	58.20	6,286	20,094
Apr	58.09	-0.08	58.20	57.85	2,139	6,101
May	58.04	-0.11	58.15	57.80	428	8,775
Jun	49.05	-0.16	49.20	48.75	1,285	6,070
Total					45,990	132,924

■ NATURAL GAS NYMEX (10,000 mmbtu; \$/mmbtu)

	Sett	Day's	High	Low	Vol	Open
Jan	3.071	+0.293	3.069	3.035	52,384	28,252
Feb	2.544	+0.150	2.528	2.500	13,579	28,610
Mar	2.292	+0.087	2.295	2.280	12,278	22,465
Apr	2.052	+0.037	2.052	2.040	5,130	14,534
May	1.977	+0.017	1.980	1.975	2,583	12,844
Jun	1.882	-0.002	1.880	1.875	1,387	9,149
Total					82,986	108,442

■ UNLEADED GASOLINE NYMEX (42,000 US gals; \$/bbl)

	Sett	Day's	High	Low	Vol	Open
Jan	57.75	-1.51	57.80	57.35	11,120	18,778
Feb	56.49	-0.25	56.50	56.32	24,735	18,778
Mar	56.46	-0.06	56.50	56.30	2,168	11,480
Apr	57.48	+0.12	57.55	57.30	422	5,792
May	57.69	+0.17	57.75	57.50	115	5,198
Jun	56.25	+0.21	56.35	56.00	213	2,544
Total					16,443	71,628

GRAINS AND OIL SEEDS

■ WHEAT CBT (60,000 mtr; cents/bu)

	Sett	Day's	High	Low	Vol	Open
Dec	501.75	-5	517.00	501.00	625	506
Jan	501.50	-5.50	507.00	501.00	8,580	501.50
Feb	464.75	-4.00	469.50	464.00	589	461.50
Mar	438.50	-2.50	433.00	428.50	2,490	28,788
Apr	430.00	-3.00	433.00	420.00	391	1,802
May	438.50	-3.50	433.00	435.50	34	2,261
Total					11,390	98,474

■ MAIZE CBT (60,000 mtr; cents/bu)

	Sett	Day's	High	Low	Vol	Open
Dec	343.25	-5	344.50	338.75	4,181	676
Jan	354.50	-1.25	355.25	353.75	57,722	28,084
Feb	358.75	-1.00	359.00	357.50	12,955	67,191
Mar	353.25	-1.75	356.50	352.50	11,230	65,575
Apr	365.25	-2.00	368.00	363.00	1,554	14,491
May	361.75	-3.25	365.00	359.25	54,655	42,675
Total					142,271	198,675

■ SOYABEAN CBT (60,000 mtr; cents/bu)

	Lat	Long	Alt	Wind	Temp	Dew	Humid	Clouds	Visib	Pressure	Remarks
01-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
02-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
03-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
04-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
05-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
06-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
07-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
08-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
09-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
10-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
11-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
12-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
13-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
14-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
15-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
16-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
17-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
18-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
19-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
20-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
21-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
22-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain
23-00	17-08N	109-06E	100	010	28.0	26.0	85	CU	10	1010	Light rain

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CURRENCIES AND MONEY

POUND SPOT FORWARD AGAINST THE POUND

Dec 26	Closing mid-point	Change on day	30 days	90 days	180 days	360 days	Bank of England
Australia	15.8225	+0.0008	728	15.8117	15.8225	15.8225	10.5
Belgium	43.8225	+0.0008	277	43.8225	43.8225	43.8225	10.5
Denmark	8.8225	+0.0008	277	8.8225	8.8225	8.8225	10.5
France	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Germany	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Greece	340.225	+0.0008	277	340.225	340.225	340.225	10.5
Ireland	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Italy	136.225	+0.0008	277	136.225	136.225	136.225	10.5
Japan	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Netherlands	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Norway	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Portugal	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Spain	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Sweden	166.225	+0.0008	277	166.225	166.225	166.225	10.5
Switzerland	166.225	+0.0008	277	166.225	166.225	166.225	10.5
UK	166.225	+0.0008	277	166.225	166.225	166.225	10.5
USA	166.225	+0.0008	277	166.225	166.225	166.225	10.5

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Dec 26	Closing mid-point	Change on day	30 days	90 days	180 days	360 days	JP Morgan
Australia	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Belgium	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Denmark	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
France	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Germany	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Greece	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Ireland	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Italy	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Japan	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Netherlands	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Norway	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Portugal	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Spain	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Sweden	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
Switzerland	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
UK	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5
USA	10.8225	+0.0008	277	10.8225	10.8225	10.8225	10.5

WORLD INTEREST RATES

Dec 26	Overnight	One month	Three months	Six months	One year	Long term	Rate
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Belgium	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Denmark	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Greece	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Ireland	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Netherlands	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Norway	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Portugal	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50
USA	5.50	5.50	5.50	5.50	5.50	5.50	5.50

CROSS RATES AND DERIVATIVES

CROSS RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

UK INTEREST RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

UK GILTS PRICES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

FT GUIDE TO WORLD CURRENCIES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

LONDON MONEY RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

BANK OF ENGLAND TREASURY BILL TENDER

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

BASE LENDING RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

FT GOLD MINES INDEX

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

LONDON RECENT ISSUES: EQUITIES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

EMS EUROPEAN CURRENCY UNIT RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

NON ERM FINANCIAL RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

US INTEREST RATES

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

BUSINESSES FOR SALE

Dec 26	Open	Close	Change	High	Low	Est. vol.	Open int.
Mar	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Jun	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00
Sep	0.8225	0.8225	+0.0008	0.8225	0.8225	10,000	40.00

Standard Chartered

Standard Chartered PLC
(Incorporated with limited liability in England)£300,000,000
Undated Primary Capital Floating Rate Notes
of which £150,000,000
comprises the Initial Tranche

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the three months period (91 days) from 22nd December 1995 to 22nd March 1996 the Notes will carry an interest rate of 6.75 per cent per annum.

The interest payment date will be 22nd March 1996. Coupon No. 43 will therefore be payable on 22nd March 1996 at £38.14 per coupon from Notes of £50,000 nominal and £38.91 per coupon from Notes of £5,000 nominal.

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AMERICA

Dow tops 5,100 again in spite of dull bonds

US equities managed a strong morning showing with the Dow back above 5,100, writes Tony Jackson in New York. This was in spite of thin holiday trading and an absence of news on the budget impasse, which in turn led to sluggishness in the bond market.

At 1 pm the Dow Jones Industrial Average was up

partly offset by weakness in healthcare.

The bond market was dull, with the benchmark 30-year Treasury up 1/4 point to yield 6.04 per cent. Traders were resigned to a lack of political progress on the budget until later in the week.

Among blue chips, Coca Cola gained 3 1/4% at \$74 on bargain

Company of Virginia to GE Capital, the finance division of General Electric. Aon had said in September that the business was for sale. GE was ahead 5% at \$72.

Kmart, the troubled retail chain, saw its shares drop 1/2% to \$5 in heavy volume. This was attributed to press comment querying the ability of Mr Floyd Hall, the new chief executive, to turn the company around.

Among technology shares, there was a mixed showing from the Internet sub-sector. Spyglass, which provides browser software for the Internet, was 1 1/2% cheaper at \$84. However, Netscape advanced 3 1/4% to \$144.

Healthcare stocks were weak, with Pacificare Health Systems down 1 1/4% at \$88. St. Jude Medical fell 1 1/4% at \$98, and Chiron \$3 lower at \$110. However, the small San Diego drug company Corvas International bucked the trend with a rise of 1 1/4% to \$87.

Finally, in an unusual instance of poor Christmas trading from the retail sector, the Texas furniture store chain Pier 1 Imports said that it had lost \$30m through the trading activities of a financial consultant which it had retained to manage its excess cash. The shares fell 1 1/4% to \$11.

EUROPE

CAC-40 index recedes

Friday's 2.1 per cent rally seemed to leave PARIS short of initiative and the CAC-40 index, an underperformer this year, eased 6.70 to 1,868.67. Turnover fell from FF20bn to FF12.24bn, and even this figure was inflated by block trades: in Alcatel, Elf Aquitaine, Générale des Baux and Bouygues followed the previ-

France/Italy

Indices relative to the FTSE100 at UK

Source: FT East

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ASIA PACIFIC

Nikkei sets another 1995 peak

Tokyo

Small-lot buying by domestic institutions and technical activity supported share prices and the Nikkei average gained ground for the fifth consecutive day, hitting another high for the year, writes Emiko Terazono in Tokyo.

The 225-share index finished with a rise of 128.31 or 0.7 per cent at the day's best of 19,904.72. The day's low was 19,890.55. On Monday, the index moved up 30.99 to 19,775.41 after fluctuating between 19,744.49 and 19,831.31.

The Topix index of all first section stocks rose 3.87 to 1,577.28 after moving up 4.89 the previous day, while the Nikkei 300 index, which advanced 0.54 on Monday, added 0.25 to 2,254.48.

Advances led declines by 677 to 340, with 188 issues unchanged. Volume was 380m shares, against 406m.

Reports that the postal insurance system will be allowed to manage ¥1,700bn in the next fiscal year, up from ¥700bn from the

current year, encouraged some investors.

Government officials said the increase in the limit for investment of public funds in securities reflected expectations of a stock market recovery in 1996-97, but activity remained subdued as many overseas investors were absent due to the Christmas holidays. Brokers refrained from trading as yesterday was the last trading day for December settlements.

Individual investors dabbled in speculative favourites, with fishery, shipping and coal mining stocks gaining ground.

Mining issues were bought on hopes that the sodium leakage at Monju, the country's fast breeder reactor, would prompt a rise in coal based power generation. Sumitomo Coal Mining forged ahead ¥35 to ¥568 and Mitsui Mining ¥21 to ¥463.

Fishery shares were picked up as legends. Nippon Suisan gained ¥9 at ¥420 while, among shipping companies, Showa Line rose ¥9 to ¥215 and Shinwa Kaiun ¥21 to ¥405.

Profit-taking depressed stocks which rallied last week

Japan

Indices released

FTSE100 Pacific Basin (excl Japan)

Nikkei 225 Average

Source: FT East

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